

Under Pressure

Costs of living, financial hardship
and emergency relief in Victoria



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UNDER PRESSURE: Costs of living, financial hardship and emergency relief in Victoria

Executive summary

Under Pressure: Costs of living, financial hardship and emergency relief in Victoria presents the findings of a research project conducted between 2007 and 2008 on demand for emergency relief in Victoria.

The research project was a partnership between the Victorian Council of Social Service (VCOSS), RMIT University and the emergency relief peak body ER Victoria. Emergency relief can be defined as the provision of critical support to individuals and families experiencing a financial emergency or crisis. Emergency relief assistance can include a food voucher or parcel, household goods, clothing and financial assistance for utilities or food. Emergency relief is currently provided by over 700 non-government organisations in Victoria.

Two objectives guided the development of the research project. The first was to collect data on individuals and families seeking emergency relief assistance in Victoria, as this data had not been collected for many years. The second was to investigate whether increases to the cost of living and Federal Government policies addressing income security, contribute to the demand for emergency relief.

The research project involved the collection of both quantitative and qualitative data from emergency relief recipients through a survey distributed by emergency relief agencies. Over 2000 surveys were collected through 24 agencies across 36 sites around Victoria during three survey periods conducted in the course of the project: April-May 2007, mid September 2007 and January-February 2008.

The emergency relief sector provided the researchers with the opportunity to gain insight into the experience of individuals and families experiencing financial disadvantage in Victoria, and its causes and effects. While the emergency relief sector provided the setting for the research, its findings have implications far beyond the sector.

The key findings of the research were:

- The largest group of people responding to the survey was aged between 35 and 39 (17 per cent of respondents). Over two thirds of respondents were aged between 25 and 49.
- Women accounted for 58 per cent of emergency relief recipients who responded to the survey.
- Nearly a third of all respondents (32 per cent) were sole parents, representing the largest respondent group. The next largest group of respondents were people living alone (28 per cent).
- Of households with dependent children, over half had the youngest child aged

under five, with at least one child aged one or under in just under 20 per cent of households with children.

- The most common form of housing for respondents was private rental (43 per cent of all respondents). Twenty-eight per cent of respondents were living in public housing, nearly 5 per cent were paying off a mortgage, and over 18 per cent were experiencing primary or tertiary homelessness.
- Nearly 95 per cent of respondents received some form of Centrelink payment, including Family Tax Benefits. The most common types of Centrelink payments received by respondents were the Disability Support Pension (31 per cent), Parenting Payment (27 per cent) and Newstart Allowance (24 per cent).
- Just over 11 per cent of respondents indicated they were undertaking paid work. Of these, 46 per cent were working casually while 12 per cent had permanent full time jobs.
- Of those working, 58 per cent identified they had experienced a decrease in their wage or hours, or had had to leave a job since the introduction of WorkChoices in 2006.
- The main reasons respondents identified for seeking emergency relief were having run out of food or money. Respondents also identified Centrelink payment suspensions and other payment issues, crisis situations, and debt as key reasons for their seeking emergency relief.
- The major expenses nominated by respondents as contributing to their financial hardship were: gas or electricity costs (12 per cent); phone costs (10 per cent); petrol (10 per cent); food (9 per cent); rent (8 per cent); water costs (7 per cent); car maintenance (7 per cent); public transport (6 per cent) and doctor or hospital costs (5 per cent).
- The expense most commonly nominated by respondents as contributing to their financial hardship in all areas (except for Melbourne fringe suburbs and rural Victoria) was gas or electricity costs. In Melbourne fringe suburbs and rural Victoria, the expense most commonly nominated as contributing to respondents' financial hardship was petrol.
- The percentage of women seeking emergency relief was highest in suburbs on Melbourne's fringe, while inner Melbourne was the only region in which the proportion of men seeking assistance was greater than women.
- Inner Melbourne had the greatest proportion of respondents living alone, while the greatest proportion of sole parent households were in Melbourne fringe suburbs.
- The highest proportion of respondents in private rental housing was in Melbourne fringe suburbs. Inner Melbourne had the greatest proportion of homeless respondents, regional Victoria the greatest proportion of respondents in public housing, and around 10 per cent of respondents in all regions except inner Melbourne either had a mortgage or owned their homes.

- Inner Melbourne had the greatest proportion of Newstart Allowance, Disability Support Pension and Age Pension recipients.
- The clearest difference in the survey findings over time was that education costs were identified as a particular cost pressure in the third survey period (January- February 2008).

The research findings highlight that the combination of inadequate income, high costs of living and the absence of financial resources such as insurance, savings or assets create demand for emergency relief in Victoria. Three key structural reforms are required to reduce demand for emergency relief assistance. The first is to increase social security payments relative to the costs of living (that nearly all of the people surveyed in this research were in receipt of social security payments clearly indicates that the social security system does not provide for an adequate standard of living).

Secondly, action by governments to ensure that essential goods and services such as housing, utilities, food, transport, health care and education are affordable is needed to reduce demand for emergency relief. These goods and services are universally regarded as necessary for an adequate standard of living – their costs were those most commonly identified in this research as causing financial hardship.

Finally, facilitating access to affordable financial products and services, including savings schemes, insurance, financial planning and financial counselling, is required to assist people at risk of financial hardship to plan for and cope with a financial crisis, and will in turn, reduce the demand for emergency relief.

In a socially just society which provided for the equitable distribution of resources, emergency relief would not be required. If the structural reforms and recommendations of this research were implemented by State and Federal Governments, individuals and households would be better placed to balance their budgets and cover emergencies without having to seek emergency relief assistance. Until such reforms occur, Victoria needs a responsive, sustainable, and integrated emergency relief sector to provide the best possible assistance to those in need of emergency relief.

The following recommendations need to be implemented by State and Federal Governments to minimise the impacts of increasing costs of living experienced by Victorian households and to improve the effectiveness of emergency relief assistance.

1. To assist social security recipients to afford essential expenses it is recommended that

The Federal Government:

- increase the single rate of Newstart Allowance, Youth Allowance and Parenting Payment by \$30 per week, until wider reforms of the taxation and social security systems are implemented;
- increase Utilities Allowance by 30 per cent (\$150 per year); and
- extend the eligibility for the Utilities Allowance to recipients of Parenting

Payment, Newstart Allowance and other social security recipients who do not currently receive it.

2. To enable social security recipients to afford the essentials of life it is recommended that

The Federal Government reform the social security and taxation systems so that:

- payment rates are based on a standard which reflects the minimum incomes necessary for different households to maintain an adequate standard of living in Australia;
- supplements are provided for specific costs such as costs associated with disability and additional costs experienced by sole parents;
- the income test for Newstart Allowance does not create a disincentive for Newstart recipients to work part-time;
- eight week non-payment periods are no longer imposed as a penalty for non-compliance with Centrelink requirements; and
- the combination of pension levels, superannuation and tax concessions enables people to achieve an adequate standard of living after retirement.

3. To better support parents and children in low income households it is recommended that

The Federal Government:

- improve child care affordability by merging the 50 per cent Child Care Tax Rebate and Child Care Benefit and changing the funding formula to improve affordability for low income families.

The State Government:

- continue to strengthen and increase investment in universal early years services (including maternal child health) and in early intervention family support services.

4. To ensure supply of essential utilities to low income households it is recommended that

The Federal Government:

- expand its insulation program to include energy audits, retrofitting and upgrades for appliances such as refrigerators and hot water systems.

The State Government:

- increase funding for energy and water concessions to maintain their real value in the face of price increases and the introduction of an emissions trading scheme;
- implement mandatory thermal efficiency requirements for rental properties; and
- ensure an affordable water supply to households not connected to mains water.

5. To improve the affordability of housing for low income households it is recommended that**The Federal Government:**

- review the adequacy of Commonwealth Rent Assistance; and
- increase the maximum rate of Commonwealth Rent Assistance by \$15 per week until it can be reviewed.

The State Government:

- produce a comprehensive policy and associated programs to support low-income renters in the private market; and
- reform the *Residential Tenancies Act 1997* to ban 'rental bidding', 'no reason' notices to vacate and cap the proportion by which rents can be increased on each occasion.

6. To ensure all Victorians can access affordable, sustainable transport it is recommended that**The Federal Government:**

- provide funding for sustainable public transport infrastructure in areas of greatest need.

The State Government:

- review guidelines for, and increase promotion of, the Victorian Patient Medical Transport Scheme (VPTAS);
- increase investment in targeted initiatives such as community transport services and reform the Multi-Purpose Taxi Program to include frail older people and people with temporary impairments;
- increase investment in public transport infrastructure and services with a focus on:
 - services to suburban and regional industrial areas and employment hubs;

- extensions to the metropolitan rail network to outer suburban growth area; and
- inter-town bus services in rural Victoria to create links to regional service centres and the wider rural transport network.

7. To ensure that people on low incomes can access primary health and dental care it is recommended that

The Federal Government:

- increase the Pharmaceutical Allowance by 100 per cent (\$2.90 per week);
- ensure that reforms to the health system are driven by a commitment to universal access to health services and the affordability of essential medications; and
- invest to ensure Health Care Card holders can access basic dental care.

8. To ensure that all children are able to participate in core educational activities and school life it is recommended that

The Federal Government:

- provide funding for schools that is commensurate with their needs.

The State Government:

- change the guidelines on Parent Payments in Victorian Government Schools to ensure that camps, excursions and all other school-organised essential activities are available to all students regardless of ability to pay;
- ensure that schools have adequate funding to cover the costs of these activities;
- ensure that costs of stationary, textbooks and uniforms are affordable to all parents;
- provide funding to schools to cover these costs for parents for whom they are not affordable; and
- provide ongoing funding for students from low socioeconomic backgrounds based on their levels of disadvantage that follows each student through school.

9. To enable people on low incomes to be financially independent it is recommended that

The Federal Government:

- develop a national Matched Savings Scheme that gives people on low incomes the capacity to save a 'financial buffer' for difficult times and unexpected expenses;
- broker and support the provision of affordable insurance products for people living on low incomes;
- in partnership with community sector organisations, develop a system for delivering free, appropriate, preventative financial information and guidance; and
- ensure that regulation of the financial services industry offers sufficient protection to people with low levels of financial literacy to reduce levels of unmanageable debt in the community.

10. To improve the provision of supports to people experiencing financial hardship it is recommended that

The Federal Government:

- resource an industry planning process for the emergency relief sector which recognises the complementary role of emergency relief agencies in relation to other social and community services;
- resource a more detailed annual data collection process which captures the causes of demand for emergency relief in order to improve targeting of funds to areas and population groups of particular need,
- resource the peak body ER Victoria as part of initiatives to improve the delivery of emergency relief and other services by the Victorian emergency relief sector.

The State Government:

- contribute resources to the training and management of emergency relief volunteers in recognition of their role in community strengthening, disaster relief and recovery initiatives; and
- include emergency relief agencies in the planning and delivery services and strategies aimed at preventing and alleviating financial hardship.

Foreword

It is now more than 30 years since I, as an emergency relief provider, was part of a VCOSS delegation which went to Canberra to argue for the release of a report on the emergency relief data collection research which had been carried out by the (then) Department of Social Security and the Australian Council of Social Service a couple of years earlier. This was the first time that emergency relief data had been collected and the results were too startling to release. Inadequate social security payments were the major source of much of the hardship emergency relief recipients were experiencing.

Collectively, emergency relief agencies can be a powerful group for policy change. The sheer number of agencies and people involved create potential for a strong lobby group, as they proved to be when eventually the report was released and a number of changes were made to the social security system.

It is tragic that thirty years later the same problems still exist, that the need for emergency relief has increased and that the same case for change still has to be made.

But once again emergency relief agencies have agreed they need research to support their lobbying work. The result is this extraordinarily comprehensive report. The detailed data is supported by quotations which powerfully describe the poverty of emergency relief clients and the need for social policy reforms that address poverty and other inequities.

The challenge now is to act, to take this report, to ensure it is widely distributed and to use it as a basis for policy reform. Too often the emergency relief sector is regarded as a benevolent charity. Too often it can be. But in the past it has been much more than that. It has held government to account. It has brought about change to a number of systems. It can do so again and this excellent report gives it the solid data on which to mount its case.

Merle Mitchell

Inaugural chair, Victorian Emergency Relief Committee (1979 – 1984)

Chair, Ministerial Advisory Council on Senior Victorians

Chapter 1: Introduction

Under Pressure: Costs of living, financial hardship and emergency relief in Victoria presents the findings of a research project conducted between 2007 and 2008 on demand for emergency relief in Victoria. The project was a partnership between the Victorian Council of Social Service, RMIT University and the emergency relief peak body, ER Victoria.

Two main objectives guided the development of the research project. The first was to collect systemic and quantifiable data on individuals and families seeking emergency relief assistance in Victoria. The second was to investigate whether increases to the cost of living and Federal Government policies addressing income security, contribute to the demand for emergency relief services.

The research project involved the collection of both quantitative and qualitative data from emergency relief recipients through a survey distributed by emergency relief agencies. Over 2000 surveys were collected through 24 emergency relief agencies across 36 sites around Victoria. The research was undertaken with very minimal resources. It was accomplished largely due to the support of paid and volunteer staff from participating agencies, and the willingness of over 2000 emergency relief recipients to take time in the middle of stressful situations to answer questions about why they were in those situations.

In addition to the questions developed to gather quantitative data on demand for emergency relief, the survey structure also provided space for respondents' comments. Many of these comments were transcribed and included in this report. While all the names attributed to the comments are fictional and the locations randomly chosen from postcodes supplied on the surveys, respondents' ages and words are real. This qualitative data is extremely valuable. It enriches the findings, identifying a number of factors contributing to respondents' financial hardship that were not captured through the survey questions. Importantly, the qualitative data 'humanises' the statistics, providing a particular insight into the lived experiences of ordinary Victorians who experience financial hardship. In addition, although the survey form stated that the survey was not being conducted by the agency which distributed it, many respondents wrote messages of thanks to the agency that assisted them.

Emergency relief service providers are colloquially referred to as 'canaries in the coalmine' - they can be the first to encounter evidence of the myriad social and economic trends which cause or exacerbate the difficulties facing people in, or on the verge of, financial hardship. There is a tendency for emergency relief to be dismissed as simply a regressive form of welfare. However, the role of emergency relief agencies in addressing not just the symptoms but often the causes of financial hardship, and their capacity to play a greater role in community strengthening and social inclusion initiatives, is often overlooked. By contributing to the research record on the causes and effects of financial hardship through research conducted by the emergency relief sector, this report aims to highlight the important role of emergency relief in the wider context of social research and policy.

Chapter 2: The policy context

This chapter outlines the policy context of the research project. It briefly describes the emergency relief sector in Victoria and details the people that were expected to be represented in the research when the project was developed in 2006. Lastly, it gives some background on the policies affecting income and the increasing costs of living that, in 2006, were expected to affect people experiencing financial hardship and impact demand for emergency relief.

Emergency relief in Victoria

Emergency relief can be defined as the provision of critical support to individuals and families experiencing a financial emergency or crisis. Emergency relief assistance can include a food voucher or parcel, household goods, clothing and financial assistance for utilities or food. Emergency relief service providers may also offer specialist counselling and advocacy services such as financial counselling, transport assistance, assistance with medicine, school uniforms and books, and community information services.

Over 700 non-government organisations in Victoria currently provide emergency relief. These include large faith-based organisations such as St Vincent de Paul, the Salvation Army and UnitingCare, community information centres, local councils, community health centres and culturally and ethnically specific organisations. The total value of emergency relief support provided to the Victorian community sector each year is estimated at \$25-30 million. It is estimated that almost 80 per cent of people working in Victorian emergency relief agencies are unpaid volunteers.¹

The single largest source of funding for emergency relief in Victoria is the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). According to the most recent study on emergency relief provision in Victoria, just over a quarter of the agencies providing emergency relief in Melbourne receive some funding from FaHCSIA for their emergency relief programs.² According to FaHCSIA policy, the purpose of the Emergency Relief Program is:

*‘...to assist emergency relief agencies to provide emergency financial or other assistance to individuals and families in immediate financial crisis. Emergency relief is **not an income support payment** (sic). It is designed to assist people in temporary financial crisis to overcome their immediate crisis situation through provision of short term emergency assistance.’³*

Ninety-one per cent of FaHCSIA emergency relief funding is distributed to agencies assisting the general population and 8 per cent of funding is directed to agencies assisting Indigenous people. One per cent of funding allocated for training and support of emergency relief workers.⁴

FaHSCIA funding is allocated to agencies in each region based on the population of recipients of the following Centrelink payments in their area: Disability Support Pension, Newstart Allowance, Parenting Payment Single, Youth Allowance, Family Tax Benefit

(A) Maximum, Community Development Employment Program (CDEP) and Exceptional Circumstances Relief Payment.⁵

Age Pension recipients are not considered in the allocation of FaHCSIA emergency relief funding. This has recently been raised as an issue by agencies in inner metropolitan Melbourne following changes to the FaHCSIA emergency relief funding formula in Victoria. In recent years, FaHCSIA funding for emergency relief in Victoria has been redirected towards the 'growth corridor' suburbs of outer Melbourne to correct what FaHCSIA viewed as 'historical inequities' in funding allocation. Anecdotal evidence from some agencies in inner Melbourne suggests that they have experienced consecutive funding cuts of up to 10 per cent per year over recent years as a result of the funding formula. Some of these agencies identify that a significant proportion of their demand comes from Age Pension recipients and maintain that they would not have lost FaHCSIA funding to the extent that they have, if recipients of the full Age Pension were considered in the funding methodology.⁶ For some of these agencies, particularly those with no other major source of funding, consecutive cuts in FaHCSIA funding have threatened the viability of their emergency relief services.⁷

Groups expected to be represented in the research

The core 'client base' of emergency relief agencies is made up of people whose individual or household incomes are so inadequate as to prevent them from having an acceptable standard of living. This is the traditional definition of poverty. Recent work by the Social Policy Research Centre at the University of New South Wales on developing new indicators of disadvantage recognises the limitations of measuring whether people have an acceptable standard of living on the basis of income, as not all people on low incomes are in poverty, and those in poverty are not always those on low incomes. Some people on low incomes are able to manage in times of financial hardship because they have access to savings, assets, credit or assistance from family members, while others on relatively higher incomes can be in poverty because of significantly higher costs of living.⁸

Some people are particularly at risk of poverty due to a combination of inadequate income, a lack of other resources, and/or particularly high essential living expenses. They are especially vulnerable to increases in costs of living and find it difficult to cope in a crisis. They are less likely to have 'safety net' resources such as insurance or money set aside for an emergency. They include unemployed people, particularly singles; sole parents, particularly women; pensioners; Indigenous people; young people and people with a disability.⁹ A brief discussion of why these groups are particularly susceptible to poverty follows.

Single unemployed people

A single person living alone can't share household expenses as a couple can, but costs such as rent and utilities can be nearly as high for a single person as for a couple. Single unemployed people receiving income support payments are particularly vulnerable to poverty. As the Welfare Rights Centre notes:

*'There has to date been little public acknowledgement of the difficulties faced by single unemployed people ... Pension rates have increased by 20 per cent in real terms over the past decade, yet the real increase in payments for a single allowee is only a fraction of this – rising by just 0.5 per cent over 10 years.'*¹⁰

The single rate of Newstart Allowance is only \$224.65 per week.¹¹ While Newstart recipients may receive Rent Assistance it cannot exceed \$55.10 per week, regardless of how high their rent is, and they are not eligible for the range of concessions available to many pensioners through the social security system. Newstart recipients are also susceptible to having their income suspended for eight weeks under the Welfare to Work legislation (discussed below).

The Senate Community Affairs Committee Report on Poverty and Financial Hardship found that around 79 per cent of people who have been unemployed for over a year live in poverty. The report noted that long-term unemployed people are more likely to have low levels of education, skills, a disability or chronic illness, live in a region of high unemployment or have an unstable employment history.¹² Yet, while being unemployed increases the likelihood of being in poverty, a job is not necessarily a pathway out of poverty, as discussed below in regards to the Federal WorkChoices legislation.

Sole parents, particularly mothers

Women experience a higher level of economic vulnerability due to lower earnings and periods of time out of the workforce caring for children. This vulnerability is compounded when partners separate as, in the majority of cases, one parent has sole custody of children post separation, and that parent is female.

Single mothers generally experience greater financial disadvantage than their former partners, and this disadvantage is often life-long. The Household, Income and Labour Dynamics in Australia (HILDA) Survey has produced clear evidence that sole parent families typically experience much more financial difficulty than either couple or single households, with the presence of children under ten significantly correlated with financial hardship.¹³

According to recent analyses by the Australian Council of Social Service (ACOSS):

- An average single parent family spends half its income on rent, household bills and food, while other families typically spend under one third of their budget on these goods;

- In 2001, 18 per cent of single parent families lived in income poverty compared to six per cent of couples with children;
- Half of all jobless single parent families have no car; and
- An average jobless single parent family spends about \$6 per week on their children's education, compared with about \$30 per week for all families.¹⁴

For sole parents, life on a low income is usually only overcome either by moving into full-time employment or by re-partnering. One study found this was the experience for only 18 per cent of women on Parenting Payment Single, while two thirds were found to move in and out of the income security system due to temporary re-partnering.¹⁵ Under the Federal Welfare to Work legislation, many unemployed single parents will also be receiving Newstart Allowance, which is lower than Parenting Payment.

Pensioners

*'However poverty is measured, it is reasonable to assume that many people on pensions and superannuants/retirees receiving incomes in the same range as pensions can be defined as living in poverty. Unless they hold assets such as their own home, or have investments (which would, at any rate, reduce the pension payment) and do not have large expenses going towards health or other essential services, pensioners and superannuants should be considered as living in poverty or, at the very least, vulnerable to poverty.'*¹⁶

A single person on the full Age Pension receives just over \$281 per week.¹⁷ According to the Welfare Rights Centre, this is 59 per cent of the combined rate paid to a couple, which is low by international standards. The Centre also notes that 13 per cent of Age Pensioners have no other private income, and 28 per cent have up to \$20 per week in addition to their pension.¹⁸

As the Brotherhood of St Laurence noted, pensioners with fewer assets and lower levels of superannuation are particularly vulnerable to poverty. Recent research by the National Centre for Social and Economic Modelling estimated that around 112,000 pensioners pay at least 40 per cent of their income in housing costs. Citing this research, the Brotherhood of St Laurence concluded that pensioners in this situation have around \$168 a week to live on.¹⁹

Young people

'The Australian income security system is age-based which can discriminate against young people. [It is] based on the assumption that young people receive substantial support from their families and that the cost of living for young people is less than for older people.'

However, many young people cannot rely on the financial support of their family, and basic costs, such as rent, food and transport, are not related to age.²⁰

Young people are more than twice as likely to be in poverty if they are living independent of their family and are more likely to experience poverty if they are undertaking secondary or tertiary studies.²¹ The base rate of Youth Allowance for unemployed young people under 21 and students aged between 16 and 24 who are living away from home is \$185.70 per week.²² While young people on Youth Allowance may receive Rent Assistance it cannot exceed \$55.10 per week and they are not eligible for the range of concessions available to many pensioners through the social security system.

Young people are particularly vulnerable to unemployment.²³ Although there has been an exponential increase in casual employment amongst young people in recent years, casual work does not necessarily lead to permanent full-time work, and leaves young people without sick leave and other contractual employment provisions.²⁴

People with a disability

The Senate Community Affairs Committee Inquiry into Poverty and Financial Hardship identified the 'strong connection' between disability and poverty as being a result of 'low incomes, fewer employment opportunities and additional costs due to their disability. [These costs may include] the high cost of medication, the purchase of special equipment or aids, and access to appropriate housing, transport and services related to personal care or maintenance of a person's home'. It also noted that many people with a disability depend on family members for support, affecting the labour force participation of family carers which can in turn contribute to an overall reduction in household income.²⁵

As previously discussed, unemployment increases the likelihood of being in poverty. People with a disability experience a range of structural barriers to gaining and sustaining employment. According to the Equity Research Centre, these include educational inequity, a lack of relevant work experience and negative employer attitudes and behaviours.²⁶ Yet workforce participation does not guarantee financial stability for people with a disability. As the National Inquiry into Employment and Disability in 2005 found:

'People with disability represent a significant proportion of Australia's working age population (16.6 per cent), yet they participate in the workforce at lower rates, they are less likely to be employed when they do attempt to participate, and they will earn less if they do get a job. This has been the case for a long time and the problem is not just ongoing, it seems to be getting worse.'²⁷

People with a disability with limited capacity to participate in the workforce receive the Disability Support Pension (DSP). Since the introduction of the Federal Welfare to Work legislation in 2006, new applicants for social security with a disability assessed as able to work part time are now placed on Newstart Allowance rather than the DSP. This is paid at a lower rate than the DSP, as discussed below.

Indigenous people

Indigenous Victorians and Australians experience significant multi-layered disadvantage. In its submission to the Senate Community Affairs Committee Inquiry on Poverty and Financial Hardship, the Aboriginal and Torres Strait Islander Commission (ATSIC) noted that:

- most indicators of poverty and related disadvantage show that Indigenous people are between two and three times worse off than non-Indigenous people;
- about 30 per cent of Indigenous households are in income poverty;
- Indigenous unemployment rates are well over twice that of non-Indigenous people in cities and regional centres and are much higher in remote areas;
- Indigenous people in full-time employment or education make up around 30 per cent of each age cohort, compared to at least 50 per cent of non-Indigenous people in each age cohort;
- Indigenous people suffer ill-health and disability at greater rates than non-Indigenous people, leading to life expectancy rates around 20 years less than non-Indigenous life expectancy;
- nearly 70 per cent live in some form of rental property; and
- some remote Indigenous communities live in absolute poverty, measured by indicators including the presence of diseases that are largely eradicated in other parts of Australia.²⁸

The Inquiry also noted that measuring Indigenous poverty in relation to income distribution is problematic for a number of reasons. For example, the non-material poverty of dispossession from the land and the 'absolute material deprivation' experienced by many of the Indigenous population, 'suggest a different order of poverty from that experienced by the rest of the population.'²⁹

With the exception of Indigenous people, it was expected that the above groups of people would be significantly represented in the research findings, given previous research on demand for emergency relief.³⁰ The National Emergency Relief Data Collection Project, the most comprehensive emergency relief data collection exercise recently completed in Australia, found that single unemployed people are the largest category of people applying for emergency relief, followed by sole parents. It also found that more women than men seek emergency relief assistance.³¹ Emergency relief service providers surveyed in recent research on emergency relief provision in

Melbourne nominated sole parents, families, refugees, asylum seekers, unemployed people and single men aged between 16 and 25 as their main client groups.³²

However Victorian emergency relief service providers also identify that they are increasingly assisting people not in poverty according to traditional definitions, such as the 'working poor' and people with high levels of debt. A recent survey of Victorian emergency relief agencies conducted by VicRelief FoodBank found that agencies are experiencing growing demand from people 'who simply don't earn enough to cover all their basic needs while servicing their debt.'³³ The VicRelief FoodBank findings were supported by some of the agencies involved in this research project – as one case worker in south west Victoria noted:

*'I (have been) seeing more 'middle class' clients who have run aground on the rocks of unsolicited credit. These clients too often need some emergency relief to get them through, put food in the cupboard and petrol in the car to support them while they make some hard decisions about their future. This can often mean leaving their homes as they can no longer pay the mortgage and the many other credit accounts that they have.'*³⁴

Given the emerging trends in service demand, it was expected that these 'non-traditional' groups experiencing financial hardship would also be represented in this research.

Policies affecting income

Welfare to Work

The Federal Welfare to Work legislation came into effect in July 2006. The key elements of Welfare to Work are:

- People with a disability applying for social security payments after 1 July 2006 assessed as being able to work part time receive Newstart Allowance rather than the Disability Support Pension (DSP) and must comply with 'activity requirements', including looking for and accepting an offer of a 'suitable' part time job (see discussion of 'suitable work' below);
- Single parents applying for social security payments after 1 July 2006 whose youngest child is aged eight or over receive Newstart Allowance rather than Parenting Payment Single (PPS) and must comply with the same activity requirements as people with a disability. Single parents whose youngest child is aged six or over are still eligible for Parenting Payment but are subject to activity requirements; and
- If a person subject to activity requirements does not comply with their requirements, such as attending a Job Network interview, they can receive a

'strike' on their record and are required to comply with that requirement within 48 hours or their payment is suspended until they do. If a person receives three strikes in 12 months they can have their payment suspended for eight weeks.³⁵ Certain acts of non-compliance can result in an immediate eight week payment suspension (see WorkChoices discussion below).

Prior to its introduction, there was widespread concern about the impacts of Welfare to Work, particularly on sole parents, people with disabilities and other Newstart recipients. Research by the National Centre for Social and Economic Modelling (NATSEM) showed that Newstart is paid at a considerably lower rate than the DSP or PPS. It also showed that Newstart recipients can earn less income than DSP or PPS recipients before their payments are affected and they are subject to higher effective marginal tax rates than DSP and PPS recipients. Due to these factors, NATSEM estimated that single parents and people with disabilities receiving a Newstart Allowance could be between \$100 and \$120 a week worse off under Welfare to Work, than DSP and PPS recipients.³⁶

Under Welfare to Work, 'suitable work' for a parent is defined as a job which would leave them \$25 a week better off once costs including childcare and transport are accounted for, regardless of the number of hours each week they must work in order to earn that amount. The National Association of Community Legal Centres (NACLC) observed that if a parent accepts a job for 15 hours a week in which they are left with \$25 a week after costs, they would be effectively working for \$1.66 an hour. NACLC noted that the \$25-a-week provision does not apply to people with a disability or other Newstart recipients, meaning that those people may be required to accept a job that would result in their 'going backwards' financially.³⁷

There were also grave concerns about the impacts on recipients of Newstart and other allowances of having their payments suspended entirely for eight weeks. In response to these concerns, the Howard Federal Government made Financial Case Management available to 'vulnerable' jobseekers – those with children, illness or disability – by which their essential bills would be paid for the suspension period. Single people however, including those who are homeless, were not considered 'vulnerable' and were therefore ineligible for Financial Case Management. When Welfare to Work was introduced, it was anticipated that those not eligible for Financial Case Management would be forced to rely on assistance from community organisations including emergency relief service providers for the eight weeks of their payment suspension and risked losing their homes during that time.

These concerns were substantiated. An article in *The Age* newspaper in 2008 noted that 25,359 people were subjected to an eight week payment penalty between July 2007 and February 2008, a 'massive increase' on the 15,509 penalised the previous year. Around 92 per cent of those penalised between July 2007 and February 2008 did not receive Financial Case Management and had no income for two months. The article cited research by Homelessness Australia stating up to 30 per cent of people whose payments were suspended for eight weeks had lost their accommodation.³⁸

WorkChoices³⁹

The Federal WorkChoices legislation came into effect in March 2006. Some of the key industrial relations changes under WorkChoices were:

- changes to the process of setting the minimum wage;
- the creation of an Australian Fair Pay and Conditions Standard mandating five minimum conditions that would need to be included in an industrial award or Australian Workplace Agreement (AWA). These conditions did not include penalty rates for overtime payments, weekend and public holiday penalty rates, rest breaks and annual leave loadings;
- removal of the 'no disadvantage' test which ensured that workers entering into a workplace agreement were not disadvantaged compared to similar workers covered by an industrial standard, and
- changes to unfair dismissal laws meaning that businesses with fewer than 100 employees would be exempt from unfair dismissal laws and that all businesses would be able to dismiss staff employed for less than six months or for 'operational reasons' without being subject to unfair dismissal claims.⁴⁰

There was much concern in the community that WorkChoices would increase job insecurity, decrease take-home pay and increase 'churning' between work and unemployment for workers in low paid and casualised sectors such as retail and hospitality. The Senate Inquiry into Poverty and Financial Hardship had found that these workers are most likely to be women, young people, people without a tertiary education and people from non-English speaking backgrounds. The Inquiry also made mention of the increase in 'working poor' households in Australia 'due simply to low-wage employment (driven by) a casualisation of the workforce in the last two decades and a more recent weakening of the industrial relations systems'.⁴¹

A study published by Industrial Relations Victoria on the impact of WorkChoices on workers in the childcare, aged care, cleaning, retail and hospitality sectors found that the most profound impact of the legislation was dismissal without warning, where employees were no longer covered by unfair dismissal protection. Participants in the study said that the loss of a job was 'financially devastating', especially for those without financial resources. The study noted that several participants were forced onto Centrelink payments after they lost their jobs.⁴²

Community sector organisations were particularly concerned about the combined impacts of WorkChoices and Welfare to Work on vulnerable workers and jobseekers. As the Brotherhood of St Laurence noted,

'When Welfare to Work and WorkChoices intersect, low-skilled and intermittently employed workers and job seekers with multiple barriers to employment will find it increasingly difficult to obtain job security and the wages, benefits and conditions that accompany it'.⁴³

The introduction of WorkChoices made it easier for employers to offer fewer employment conditions, while Welfare to Work made it more difficult for Newstart and Parenting Payment recipients to refuse a job or refuse to sign an Australian Workplace Agreement (AWA). Under Welfare to Work, these payment recipients are subject to an immediate eight-week no-payment period for refusing or leaving a job considered by Centrelink to be a suitable job if Centrelink considered that they had done so voluntarily, or for being dismissed from a job for a reason defined by the employer as misconduct. As the National Welfare Rights Network stated in 2005:

*'(WorkChoices) will make it hard for a person to prove they were not fired for misconduct, as the only legal protection that they will have is if they are fired 'unlawfully' because discrimination laws have been broken... (and) if a person refuses to accept a job on the grounds they disagree with the contents of the AWA they may face (an) eight week suspension of payment.'*⁴⁴

The Welfare Rights Centre has since noted that these outcomes did eventuate, citing a case in which a man resigned from a job in which he worked for a month because he had not been paid and his hours were regularly changed without notice. Centrelink said that he had voluntarily left his job without a good reason.⁴⁵

Increasing costs of living

When this research project was initiated in 2006, Victorian community sector organisations were indicating that increasing costs of housing, food, utilities and petrol were exacerbating the financial stress of low income households and beginning to push middle income households into financial hardship. The trends were expected to worsen in coming years. Costs associated with universal services, particularly health and education, were adding to the financial pressures on many households. Additionally, the drought was taking a considerable toll on rural and regional Victorians, many of whom were turning to emergency relief service providers for assistance. The St Vincent de Paul Society reported a 46 per cent increase in the amount of support provided in Exceptional Circumstances Declared (drought-declared) areas in the July – September quarter of 2006-07 compared to the previous year.⁴⁶

The factors contributing to these cost increases and an indication of how they were affecting Victorians in 2006 when the research project was developed, will be discussed further below.

Housing

In the last 10 years it has become harder to buy and keep a house or to rent an affordable house in Australia. The median house price in Australia has increased from four times the average income to between six and seven times the average income over the past decade.⁴⁷ At the same time, uneven growth in the private rental market

across Australia has resulted in a shortage of tens of thousands of properties at the low-cost end of the rental market.⁴⁸ As a consequence, one in every seven households in Australia is experiencing 'housing stress', meaning that they are paying more than 30 per cent of their income in either rent or mortgage repayments.⁴⁹ This national trend has been particularly evident in the capital cities, with Melbourne ranked alongside Sydney and Adelaide in the top 20 least affordable cities in the world.⁵⁰

A history of under-investment in social housing by both Federal and State governments over the last ten years means that public and community housing where rent is fixed at an affordable proportion of income, is not available to many who would be eligible on the basis of income. When this research project was initiated in 2006, housing providers noted that single people of all ages, sole parents and low income families unable to afford private rental or excluded from the rental market by landlords able to choose more 'desirable' tenants, were living in rooming houses or caravan parks, or were homeless.

Additionally, some emergency relief agencies were citing increased demand from low income home owners in 2006, as described in the following extract from an article in *The Age* newspaper:

'Of the 2000 people seeking emergency relief at the Broadmeadows UnitingCare centre each year, more than 300, or 15 per cent, are trying to pay off a mortgage. About 260, or 13 per cent, are public housing tenants. The centre's financial counsellor, Garry Rothman, said rising interest rates, petrol prices and inflation had forced people to choose between repaying their mortgage or putting food on the table.

*"We've seen a steady increase in the number of people seeking emergency relief and material assistance, but it's been most dramatic among people who also have mortgage commitments," he said. "People, more than ever before, are getting themselves into situations with credit they simply cannot manage, taking out loans they haven't the capacity to pay back."*⁵¹

Transport costs

In 2006, global economic pressures resulted in increasing petrol prices, putting pressure on many Victorian households. The cost of petrol was predicted to keep rising over subsequent years. In 2003-04, transport made up the third highest category of Victorian household expenditure, at almost 15 per cent of the average weekly budget.⁵² Recent Consumer Price Index (CPI) figures show that over the twelve months to the June 2008 quarter, the cost of petrol rose by over 18 per cent.⁵³

The extent to which petrol prices affect Victorians largely depends on where they live. People in the outer metropolitan suburbs of Melbourne and in rural and regional

areas of Victoria without high quality public transport are forced to be reliant on cars, increasing their vulnerability to high petrol costs and the ongoing costs of car ownership. Research by the Australasian Transport Research Forum has shown that, as supply of affordable housing is increasingly concentrated in these outer areas of Melbourne and regional Victoria, the most car-dependent households also tend to be those on low incomes.⁵⁴ Further, Griffith University's Vulnerability Assessment for Mortgage, Petrol and Inflation Risks and Expenditure (VAMPIRE) Index identifies that communities in these areas are particularly vulnerable to both high petrol costs and housing debt.⁵⁵

The Victorian Government has taken steps in recent years to improve both the availability and the affordability of public transport, including the removal of Zone 3 fares, reductions in V-Line regional train tickets and discounted off-peak travel. However, for those on low incomes and those who have to travel long distances, public transport fares remain prohibitively expensive, even for concession holders. Unlike other essential services such as utilities, there are no hardship provisions for those unable to pay. Rather, their financial hardship is often exacerbated by significant public transport fines. Research undertaken by YouthLaw shows that young people who are homeless have three times the amount of outstanding public transport fines than other at-risk young people.⁵⁶

Food

According to the Victorian Health Promotion Foundation VicHealth, 'food access is (about) being able to buy good quality food that's both culturally appropriate and affordable. Food needs to be in shops that people can get to, either by foot, public transport or by car, if they have one. Food access is also dependent upon what financial and physical resources such as cooking and storage facilities people have to purchase and prepare healthy food'.⁵⁷

In 2007, research by Community Indicators Victoria at the University of Melbourne found that an average of six per cent of Victorian households experienced food insecurity, defined as having run out of food in the past 12 months and being unable to afford to buy more. In some areas this figure was up to, and over, 10 per cent of the population, as shown in the table below.⁵⁸

Table 2.1 People who ran out of food in the past 12 months and could not afford to buy more, 2007 (% of adults)

| Victorian average | Bass Coast | Central Goldfields | Frankston | Greater Dandenong | Murrindindi | Yarra |
|-------------------|------------|--------------------|-----------|-------------------|-------------|-------|
| 6 | 9.4 | 10.4 | 11.6 | 10.6 | 11.5 | 10 |

Source: Community Indicators Victoria, 2008

VicHealth has identified that the lack of sufficient income to buy food is a major contributor to food insecurity.⁵⁹

Prolonged drought in many parts of Victoria has contributed to the increase in food prices which Victorians were beginning to experience in 2006, and which continued over subsequent years. Consumer Price Index figures for September 2007 showed dramatic jumps in fruit and vegetable prices over the previous quarter, of 9.4 per cent and 7.9 per cent respectively.⁶⁰ Other staples demonstrated consistent increases over the year to 2008, with the price of milk rising by 12 per cent, cheese by 14 per cent, poultry by 11 per cent and bread by nearly seven per cent.⁶¹

Increasing food costs together with increasing costs of other essentials have pushed food to the bottom of the 'shopping list' for many low income households. Research by the Social Policy Research Centre as part of the 'Towards New Indicators of Disadvantage' Project quoted a low-income focus group participant:

*'I think every one of us in here has foregone (something), usually it's food we forgo – it's the easiest thing to do because we must all pay the rent, that is our first priority, then of course we have to pay the bills like electricity, gas or phone and if we have water, that sort of thing, we must pay that and usually us, ourselves is the last important thing we have to pay for.'*⁶²

This research found that that around one in eight people who receive assistance from community sector organisations in Australia are unable to afford a substantial meal once a day.⁶³ VicHealth has noted that around one-third of Victorians experiencing food insecurity said they seek assistance from community sector organisations to obtain food.⁶⁴

Utilities

Factors including drought and the deregulation of Victoria's energy market have contributed to gas and electricity price increases over recent years.⁶⁵ Rising utility costs are a factor in the number of Victorians who experience 'fuel poverty', and correspondingly in the increasing demand identified by emergency relief service providers for assistance with utility bills. According to a paper published by the Institute of Social Research at Swinburne University, fuel poverty occurs when 'inadequate income, poor thermal efficiency of housing, inefficient appliances, needs, life cycle stage and tariff structures intersect ... [Fuel poverty is a term] to cover the problems which arise from people's inability to meet their basic needs for energy ... primarily under-consumption, disconnection from supply, prioritisation of utility payments over other essentials like food, and accumulation of debt.'⁶⁶

In 2006, the impact of increased utility costs was experienced more severely in drought-affected parts of Victoria. Between the July-September quarters of 2005-06 and 2006-07, St Vincent de Paul identified an 83 per cent increase in the amount of utilities relief it provided in Exceptional Circumstances Declared areas.⁶⁷ Households dependent on

non-mains water supplies identified difficulty with accessing water, as water had to be carted into many areas affected by the drought. In 2006 an emergency relief service provider in Central Victoria wrote in a letter to *The Age* newspaper that:

*'It is an exceptionally cold, drought-stricken winter in this region, and I have had many requests for emergency relief funds to buy water for tanks so children can have a bath. Also, more people are asking the community health centre if they can use its showers because they have run out of water and/or (bottled) gas...'*⁶⁸

Universal services

While universal services such as education and health care are free in theory in Australia, a range of costs associated with their delivery particularly affect financially-disadvantaged Victorians.

Education

In early 2004, VCOSS and the then Emergency Relief Victoria Network (ERV) surveyed over 500 recipients of emergency relief through 20 Community Information Centres in Melbourne about the impacts of education costs on their families. Ninety-one per cent of those surveyed said that their inability to meet school costs would impact negatively on their child's education. The most unaffordable priority items identified by participants were school books, clothing and technology such as computers.⁶⁹

School fees, including subject levies, costs related to essential items such as camps and excursions and 'voluntary contributions', also impose a significant cost burden on families.⁷⁰ While most low income families receive the Education Maintenance Allowance from the Victorian Government, it is a small amount relative to actual school-related expenses. Additionally, only half is allocated to families, with the other half allocated to the school. Recent research by the Brotherhood of St Laurence in which 58 low income families receiving emergency relief assistance were surveyed found that:

- fees imposed on parents of primary school children in the previous year ranged from \$20 to \$200, with an average of \$86 per child. For parents of secondary school children, fees ranged from \$50 to \$1600 with an average of \$320 per child;
- most parents had experienced difficulty paying for aspects of their children's education over the previous year: 69 per cent had difficulty paying for sport and recreation, 62 per cent for camps and 47 per cent for excursions; and
- almost 40 per cent said their children had been absent from school during the previous year due to costs.⁷¹

Health

Health care costs can serve to make even basic health services inaccessible to many low income earners, while a health-related emergency can push households who are only just managing into crisis. The affordability of health care was a priority issue in research conducted by the Social Policy Research Centre, with survey participants highlighting the reduced availability of bulk-billing doctors in certain areas. As one focus group participant stated:

*'...They don't bulk bill in the country ... if you've got the money to go to a doctor yeah you're cheering, but if you don't you've got to wait until you have the money.'*⁷²

High costs of pharmaceuticals were noted as a significant cost pressure in this research. According to anecdotal evidence from Victorian emergency relief service providers, changes to the Federal Pharmaceutical Benefits Scheme in recent years have increased the costs of essential medicines for people with chronic illnesses and disabilities. Research by the Chronic Illness Alliance has shown that many people with chronic illness are already living in poverty, with those who are geographically isolated experiencing particular disadvantage.⁷³

High costs also put dental care out of the reach of many individuals on low incomes. The Social Policy Research Centre found that around half the 700 community service users it surveyed did not have access to dental treatment because they could not afford it.⁷⁴ A recent report by the Australian Council of Social Service noted that 'people living on low incomes visit dentists less frequently than the rest of the community, are likely to have teeth extracted rather than filled, and are less likely to get preventative care.' Although concession card holders are eligible for public dental services, the report found that the waiting time for publicly-funded general dental care in Victoria in 2002 was over two years.⁷⁵

Conclusion

Based on the policy context for this research project, it was anticipated that the key groups of people likely to be represented in this research would be people experiencing poverty due to inadequate income, a lack of other resources and higher costs of living. It was expected that they would include unemployed single people, sole parents, age pensioners, young people and people with disabilities. It was also anticipated that people not in income poverty but still unable to cope with the costs of living would be represented in the survey findings.

Costs which were identified in 2006 as increasing demand for emergency relief were housing, food, utilities and petrol, as well as universal services such as education and health care. It was anticipated that the impacts of these costs would be evidenced in the research. Additionally, there was concern in 2006 that the impending introduction of the Welfare to Work legislation would increase the financial hardship of sole parents and

people with a disability and that the upcoming WorkChoices legislation would negatively affect low-paid workers. The combination of the two was predicted to be particularly detrimental for those 'churning' between work and social security payments. It was anticipated that the effects of these two pieces of legislation, although incremental, may be reflected in the survey findings.

The following chapter outlines the methodology that was developed to research these issues.



Chapter 3: The methodology

This chapter will briefly discuss the survey instrument developed to collect data, the data collection and analysis and the limitations of the applied methodology.

Finding a sample

One of the most challenging aspects of undertaking research on the demand for emergency relief can be locating emergency relief recipients to survey. There is still a degree of shame associated with receiving emergency relief which means that the distribution of emergency relief is something of a hidden facet of community service delivery in Australia, despite the growing number of people who access it.⁷⁶

In this study, emergency relief recipients were identified through emergency relief agencies. Agencies were invited to participate in the study through two main methods. Firstly, members of the Emergency Relief Victoria (ERV) Network, a state-wide network of emergency relief agencies and one of the partners in this research project, were asked if they would be willing to participate in the study. The researchers then used a 'non-probability purposive sampling technique' to identify additional agencies. The objective in selecting agencies was to ensure the representation of a diversity of emergency relief service providers and a range of locations in Melbourne and rural and regional Victoria.

Only generalist providers – those services not specifically targeted at particular religious or cultural groups – were invited to participate, as the researchers wanted to gain a broad sample of emergency relief recipients. As a result, the survey results are not representative of people from culturally and linguistically diverse backgrounds, including Indigenous people, who tend to seek assistance from ethnically and culturally-specific services (see the discussion later in this chapter). State-wide emergency relief service providers were also not invited to participate as the researchers wanted to be able to compare the findings between agencies in different regions to investigate whether trends in demand for emergency relief, and the cost pressures experienced by emergency relief recipients, were evident along regional lines.

Agencies were contacted by letter or email in early 2007 and formally invited to participate in the project. The initial correspondence outlined the aims and objectives of the research, what the project involved and how the surveys were to be conducted and returned. Altogether, 24 emergency relief service provider agencies agreed to participate in the research project across 35 sites located in 33 of the 79 local government areas (LGAs) in Victoria.

Agencies were selected to represent a range of LGAs across the state. However, an analysis of the data at LGA level was not possible as not all LGAs were represented in the research. To enable some comparisons between the findings in different areas, the researchers grouped the agencies into five regional divisions on the basis of the LGA in which they were located: inner Melbourne, middle Melbourne, fringe, regional Victoria (defined as large rural cities and regional centres) and rural Victoria (defined as

rural shires). These divisions are based on those used by the Victorian Department of Planning and Community Development.⁷⁷

Table 3.1 below shows the number of agencies and LGAs represented in each region and the proportion of the total survey responses collected in each region.

Table 3.1 Regional groupings of agencies and proportion of responses (%)

| Regions | No. of agencies in region | LGAs represented in this region | Proportion of total survey responses |
|-------------------|---------------------------|--|--------------------------------------|
| Inner Melbourne | 6 | Boroondara, Darebin, Glen Eira, Maribyrnong, Moonee Valley, Port Phillip | 25 |
| Middle Melbourne | 4 | Brimbank, Maroondah, Greater Dandenong, Knox | 16 |
| Melbourne fringe | 9 | Cardinia, Casey, Frankston, Hume, Melton, Mornington Peninsula, Nillumbik, Wyndham | 25 |
| Regional Victoria | 10 | Greater Bendigo, Greater Geelong, Greater Shepparton, Horsham, Latrobe, Mildura, Swan Hill, Wangaratta, Warrnambool, Wodonga | 26 |
| Rural Victoria | 6 | Bass Coast, Glenelg, Hepburn, Murrindindi, Wellington | 8 |

Source: Department of Planning and Community Development, Government of Victoria, 2008 and authors survey, 2007 and 2008.

As the table shows, the sample sizes in each region vary. Eight per cent of all responses came from regional Victoria, compared to 25 per cent from metropolitan Melbourne, although the same number of agencies was involved in survey collection in both regions. The number of agencies selected from outer metropolitan Melbourne, regional and rural Victoria was disproportionately larger in terms of population distribution in Victoria. This was not a particular issue as the research did not set out to be representative of the entire Victorian population, and was done intentionally to address a research gap. The last significant piece of research on demand for emergency relief conducted in Victoria only considered metropolitan Melbourne.⁷⁸ Additionally, the researchers anticipated a lower response rate from parts of rural and regional Victoria as a result of different patterns of demand for assistance in these areas as compared to the Melbourne area, and wanted to ensure that emergency relief recipients in those areas were well-represented in the findings. The rationale for this bias towards rural and regional Victoria was borne out by the findings. As the table shows, two thirds of surveys came from Melbourne while one third were returned from rural and regional Victoria.

As discussed previously, the researchers wanted to analyse the data between regions to investigate whether trends in service demand for emergency relief was evident along regional lines. However, there are several limitations to this analysis and to the survey methodology. Firstly, most participating agencies provide emergency relief assistance to people living outside their LGA boundaries. Several inner Melbourne agencies note that they assist a high proportion of homeless or transient people, whilst some rural

and regional agencies in the north west of the state assist people from across the New South Wales and South Australian borders. Secondly, while the main city in a large LGA such as Mildura is considered a regional centre, much of the rest of the LGA is rural, and many people seeking emergency relief from an agency in Mildura would not live within the boundaries of Mildura city.

Taking account of these limitations, these regional divisions meant that the data could be analysed to provide an indication of trends in the demand for emergency relief in different regions of Victoria.

Sampling emergency relief recipients

Significant consideration was given to developing an appropriate method for surveying emergency relief recipients for the following reasons. People are often experiencing crisis at the point at which they seek emergency relief and are therefore particularly vulnerable. Emergency relief recipients are also not a 'stable' client population, as emergency relief is accessed sporadically. A person may seek assistance as a one-off, once every six months, once a year, or more frequently, and agencies have different criteria detailing how frequently a person can receive assistance. Emergency relief provision is often not connected with an agency's casework service, if they have one, meaning that many agencies will not have an ongoing relationship with recipients. The diversity of agencies in the emergency relief sector means there is enormous variance in data collection and the keeping of client records. Lastly, the sector's reliance on volunteers and a lack of resources to provide emergency relief means there is not always consistency between staff providing assistance, which could have helped identify people likely to respond to a survey.

Given these factors, probability sampling techniques would have been of limited use.⁷⁹ Non-probability sampling techniques were considered more appropriate, even though this meant that the ability to generalise from the surveyed sample population was more limited. The research required participating service providers to adopt an 'available subjects' sampling technique, meaning that any emergency relief recipient who received assistance was given the opportunity to participate. The researchers had initially intended to provide an honorarium for emergency relief recipients completing the survey and for agencies distributing it, but limited funding for the project meant that this was not an option.

The survey was conducted over three, two-week survey periods: late April-early May 2007, mid September 2007 and late January-early February 2008. The Christmas/new year period was avoided as emergency relief agencies traditionally experience extremely high demand at that time and would have had limited capacity to distribute the survey. The decision was made to survey emergency relief recipients three times during a one year period to identify whether the demand for emergency relief and the cost pressures experienced by emergency relief recipients, varied according to the time of the year. Additionally, the researchers sought to investigate whether the policy

implications of WorkChoices and Welfare to Work discussed earlier were evident in demand for emergency relief.

Participating agencies were provided with signs to display in their agency advertising the survey and asked to invite participation by recipients during the survey periods. Strict guidelines were provided to agencies outlining the actual way that prospective survey respondents could be recruited:

1. The potential respondent was to be provided with emergency relief before they were asked if they would be willing to complete a survey. This was to ensure that there would be no perception that their receipt of assistance was dependent on their participation in the survey;
2. The respondents were informed that completing the survey was entirely voluntary and that their response would remain anonymous;
3. They were then given a one page summary explaining why and by whom the survey was being conducted. The summary clearly explained that the survey was not commissioned by the agency they were attending and that it would not affect their ability to access emergency relief; and
4. Once completed, the survey was placed in a sealed collection box that was only opened at the end of the sample period. The completed surveys were posted back to the research team at the end of each survey period.

Each participating agency was provided with 20 copies of the survey and a stamped, self-addressed envelope in which to return the surveys. Agencies were asked, but not obliged, to obtain at least 20 completed surveys during each sample period of 10 working days. Some agencies reported that they completed the 20 surveys in less than a day and others took several days to do so. Some agencies returned less than 20 surveys for each period while others returned more. This variance was not surprising given the nature of the emergency relief sector. Some emergency relief agencies are open, or provide assistance, only one or two days each week, or for part of each day, and demand for assistance can vary significantly at different times and in different areas. Some agencies reported that a survey period had occurred during a 'quiet time' for them, whilst others said they had been so busy that they had limited capacity to collect surveys during a particular survey period.

Overall, 2,269 surveys were collected over the three sample periods, representing a robust sample size. Agencies were not asked to sample the same people over the three periods – this would have been impossible, as all respondents were to be voluntary and anonymous. There is no way of knowing how many people, if any, completed the survey more than once. In total:

- 813 surveys were completed in the first survey period;
- 804 surveys were completed in the second survey period; and
- 652 surveys were completed in the final survey period.

The lower numbers in the final survey period may reflect that this survey period took place in a busy time of the year for emergency relief service providers (January-February).

The survey instrument

The survey consisted of 15 questions aimed at collecting information about people seeking emergency relief assistance and their reasons for doing so (see survey in Appendix). The survey questions were divided into four sections. The first two sections asked for demographic information: the respondents' age, gender, postcode, household arrangements and type of housing. The third section covered employment and sources of income, with questions developed in consultation with experts in the field and carefully worded to capture the experiences of recipients affected by Welfare to Work or WorkChoices.

The fourth and final section asked respondents to indicate, in their own words, their main reason for seeking emergency relief assistance on the day they completed the survey. It then asked respondents to tick one or more of a number of living costs which they identified as having contributed to their financial difficulty. The questions were structured in this way to gain an understanding of the kinds of assistance most in demand from emergency relief service providers, and the living costs which contributed to the financial pressures experienced by Victorian households. It is recognised by emergency relief agencies that households in financial hardship typically juggle a range of expenses on a very tight budget. Many first pay essential bills and debts, then seek emergency relief assistance for 'discretionary costs' like food. Simply asking why people were seeking emergency relief would only give an indication of the immediate assistance that respondents sought from emergency relief service providers. This would limit the researchers' understanding of the other costs and issues contributing to respondents' need to access emergency relief assistance.

Virtually all of the questions in the survey were 'closed-ended' questions in which respondents ticked the most appropriate option from the list provided. Using closed-ended questions meant that the data could be easily standardised for collation and analysis by the data analysis program SPSS. Importantly, closed-ended questions make a survey relatively easy and quick to complete. This was important as the researchers were aware that if the survey appeared too long, many would not complete it. Further, a complicated survey using many open-ended questions would have been inappropriate, as people accessing emergency relief services are frequently experiencing high levels of stress, and some have low English literacy skills. Questions were written in 'plain English' in recognition of the potentially varying levels of literacy amongst respondents. A first draft of the survey was provided to emergency relief recipients for comment on its appropriateness for their service users. Following this, the survey was trialled with emergency relief recipients across a number of agencies.

In addition to the closed-ended questions, there were several sections in the survey in which respondents could include further information in their own words. This qualitative data added greatly to the strength of the information collected. Not only did it 'humanise' the statistics, it also provided valuable information about respondents' circumstances and living costs which the quantitative data could not. For example, in some cases, a low response rate to a particular question may have indicated that the issue which that question was investigating was not relevant, yet respondents' comments in relation to that issue supported a different conclusion. In addition, respondents' comments highlighted issues which the researchers had not identified for investigation in developing the survey.

Limitations of the research

All primary research has limitations. The limitations of this research project include:

1. The extent to which the survey sample was representative of the broader population. This study was not able to use standard 'probability random sampling' techniques because they were not appropriate for the population group of this study. Instead, it was necessary to use a non-probability 'first available subject' sampling approach. This means that while the results are *indicative* of emergency relief recipients in Victoria, it is not possible to generalise from the responses about the whole emergency relief recipient population or low income Victorians. This is not a major limitation because the objective of this study was to report upon the experiences of the people who responded to the survey, but it did mean that the researchers had to be careful not to overstate the findings when interpreting and writing up the data.
2. The number and location of agencies that participated in the survey and the variation in the number of responses received from each agency. Twenty four emergency relief agencies were involved in collecting surveys from 36 sites across Victoria. Had time and resources permitted, the study could have involved a larger number of agencies and therefore been more comprehensive. In addition, a more even spatial distribution of the agencies involved would have made the study more representative of Victoria's population distribution.
3. The number and timing of the survey periods. These were determined both by the objective of spacing the survey collection periods somewhat evenly throughout the year, and the desire of the researchers to limit the impost on agencies in participating in the survey collection process. It would have been useful to have conducted an additional survey period one year after the final survey period – in early 2009 – so as to compare these findings to the earlier results.
4. The survey findings do not reflect the range of cultures and ethnicities of people who seek emergency relief assistance in Victoria. In particular, they are not representative of emergency relief recipients from culturally and

linguistically diverse backgrounds or from Aboriginal and Torres Strait Islander backgrounds. Many people from these backgrounds access emergency relief through culturally-specific organisations. In order to gain a broad sample of emergency relief recipients, the researchers invited only generalist emergency relief service providers to participate in the survey collection. This excluded agencies which provide assistance to particular cultural or ethnic groups, and those receiving funding from the eight per cent of the FaHCSIA emergency relief program budget allocated to agencies providing assistance to Aboriginal and Torres Strait Islander people. It was not in the scope of this project to conduct a comprehensive data collection process involving the range of agencies that provide emergency relief in Victoria, although such a process is needed to fully understand the causes of demand for emergency relief by people in Victoria. The resourcing of such a data collection process by the Federal Government on an annual basis is one of the recommendations of this report.

Resource limitations prohibited the survey's translation into languages other than English. This meant that the findings are heavily biased in favour of people who can read and write English, and are not representative of people with low English literacy skills, or with an intellectual disability. In some instances, agency staff or volunteers completed the survey on behalf of service users who could not write in English. This was however, not encouraged because the survey responses were intended to be confidential, and the researchers did not want to impose this additional workload on agencies and staff. The resulting distortion of the findings would have been particularly pronounced in areas with large culturally and linguistically diverse (CALD) populations. Again, a data collection process resourced to enable the participation of people from culturally and linguistically diverse backgrounds and those with low levels of literacy would provide a more comprehensive understanding of the financial hardship experienced by these groups.

Conclusion

Given the challenges, the methodology behind this research project was deemed to be successful. A relatively large number of surveys were received (2,269) and nearly all surveys returned were completed. This implies that the survey design was appropriate and accessible for the people who completed the survey. The high proportion of respondents who included qualitative data in addition to responding to the quantitative questions indicates that the mix of different types of questions provided a good balance. In addition, all agencies that commenced participating in the project remained involved throughout the research period, and virtually all agencies returned surveys for each survey period. This indicates that the survey process did not impose too great a workload on participating agencies, and that agencies felt that the survey was important enough to justify the commitment of their resources.

Resource limitations restricted the effectiveness of the research. Most notably, the findings are not representative of emergency relief recipients who are not literate in English and not clearly representative of Indigenous Victorians or people of CALD backgrounds. It would be valuable to see similar research resourced in future that would provide information about demand for emergency relief from Victorians of CALD backgrounds and Indigenous Victorians.



Chapter 4: The findings - who is seeking emergency relief in Victoria?

This chapter looks at the findings from the 2,269 surveys completed by emergency relief recipients over the three survey periods and analyses what they show about the people seeking emergency relief assistance to cope with financial hardship in Victoria.

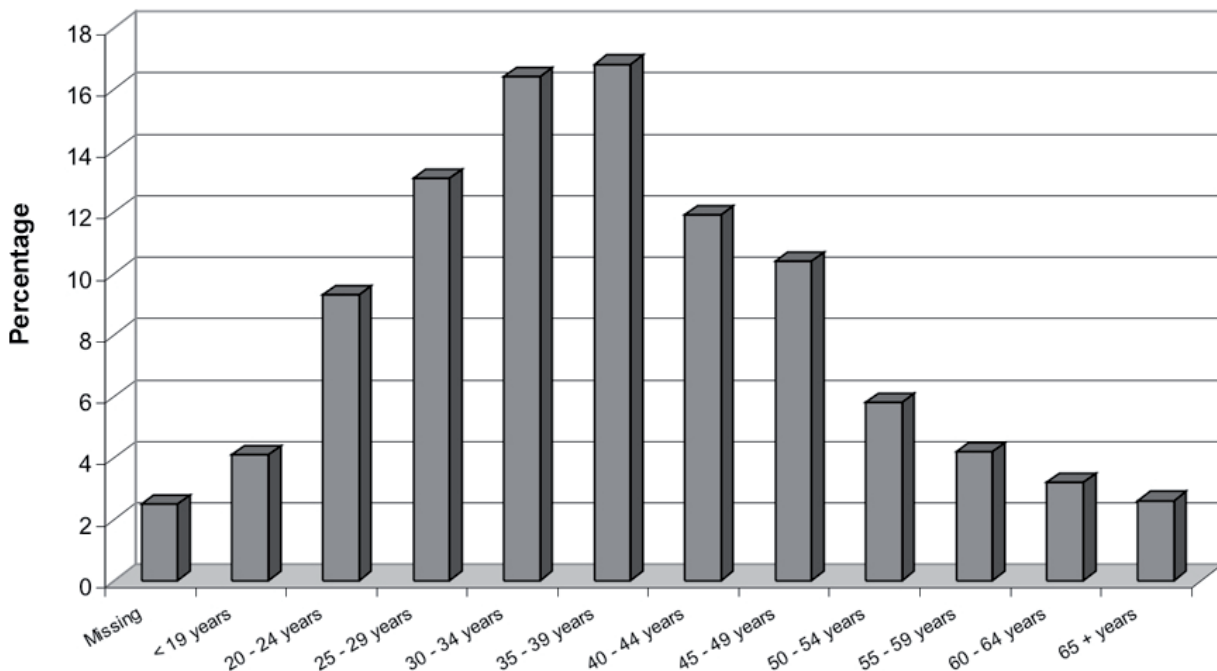
Age and gender of respondents

As table 4.1 and figure 4.1 show, the largest number of people responding to the survey over the three survey periods was aged between 35 to 39 years (17 percent of respondents). This was followed by people aged between 30 to 34 years (16 percent), 25 to 29 years (13 percent), 40 to 44 years (12 percent) and 45 to 49 years (10 percent). Together, over two thirds of respondents were aged between 25 and 49.

Table 4.1 Age of respondents

| | Number | Percent |
|---------------|--------|---------|
| Missing | 56 | 2.5 |
| < 19 years | 93 | 4.1 |
| 20 – 24 years | 210 | 9.3 |
| 25 – 29 years | 297 | 13.1 |
| 30 – 34 years | 371 | 16.4 |
| 35 – 39 years | 381 | 16.8 |
| 40 – 44 years | 269 | 11.9 |
| 45 – 49 years | 235 | 10.4 |
| 50 – 54 years | 131 | 5.8 |
| 55 – 59 years | 95 | 4.2 |
| 60 – 64 years | 73 | 3.2 |
| 65 + years | 58 | 2.6 |
| TOTAL | 2269 | 100 |

Figure 4.1 Age of respondents



This finding is interesting given the public perception that older people are in greatest financial hardship, yet people aged 65 and over only constituted a reasonably small proportion of the survey sample (3 percent). It appears that middle adulthood – the most intensive parenting and working years – is more likely to bring financial disadvantage than other stages of life. Emergency relief agencies commenting on this finding thought that perhaps this was because older people generally tend to have more settled and financially secure lives than people in their middle years, having built up resources including an asset base. However, several agencies also observed an attitudinal difference to seeking assistance from older people, noting that they are less likely to ask for or accept help due to pride and a sense of having to cope by themselves.⁸⁰

When the data was analysed by gender, it showed that women account for almost 60 percent of the total number of emergency relief recipients who responded to the survey (see table 4.2 below).

Table 4.2 Respondents' gender

| | Number | Percent |
|----------------|--------|---------|
| Missing | 21 | .9 |
| Male | 933 | 41.1 |
| Female | 1315 | 58.0 |
| TOTAL | 2269 | 100.0 |

This finding suggests that women are more likely to be seeking emergency relief on their own behalf or on behalf of their household. Emergency relief agencies consulted on the results of the survey offered a number of possible reasons for this finding. Some noted that women are more frequently the ones juggling day-to-day expenses and so are more likely to request assistance to pay the bills or feed the family. One rural service provider said that this gendered division of household roles, coupled with a particularly strong sense of pride amongst rural men, means that in rural and regional Victoria it is nearly always the women who ask for help. It was also noted that women may have been more willing than men to complete the survey when asked.

It was also suggested that women in partnered households are more likely to be the ones seeking emergency relief because of the perception that services are more sympathetic to women and so they would be more likely to receive assistance, or to receive more assistance, than their male partner. The most common household types represented in this survey, however, were sole parent households headed by women, as shown in figure 4.2.

Household composition

Respondents were asked whether they lived alone or with others. As table 4.3 and figure 4.2 show, the largest group of respondents – nearly a third of all respondents – was sole parents. The next largest group was people living alone, a further 28 per cent of the sample. Combined, the data shows that almost 60 per cent of emergency relief recipients surveyed were living in a household without a spouse or partner, clearly indicating that single-income households struggle to meet essential living expenses. This is not surprising given that significant household expenses such as rent and utilities can be nearly as high for a single person as for a couple, without the benefit of a second income to help meet these costs.

Figure 4.2 Respondents' households

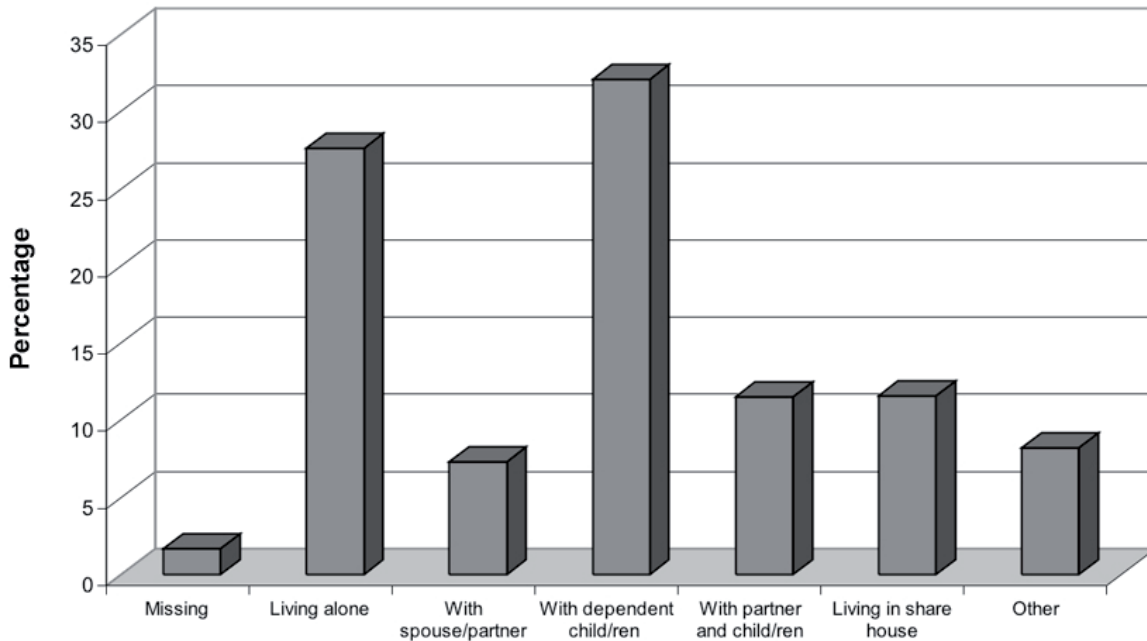


Table 4.3 Respondents' households

| | Number | Percent |
|---|-------------|--------------|
| Missing | 38 | 1.7 |
| Living alone | 627 | 27.6 |
| Living with a spouse/partner | 166 | 7.3 |
| Living with dependent child/ren (no spouse/partner) | 729 | 32.1 |
| Living with spouse/partner and child/ren | 261 | 11.5 |
| Living in share house | 263 | 11.6 |
| Other | 185 | 8.2 |
| TOTAL | 2269 | 100.0 |

Analysing the data on household type together with the data on the types of Centrelink payments received by respondents shows that the vast majority of Parenting Payment recipients (77 per cent) were sole parents. When the Centrelink payment data was further analysed by gender, it shows that 92 per cent of Parenting Payment recipients who responded

to the survey were women. This confirms the findings of previous research that sole parents, particularly women, make up a significant proportion of emergency relief recipients, and that households headed by sole parents are particularly vulnerable to poverty. As discussed in Chapter 2, research has shown that sole parent households typically experience much greater levels of financial stress, with a greater proportion of income spent on essentials such as rent, bills and food, than in couple or single households.

Comments by parents seeking emergency relief who completed the survey illustrate the financial pressures that many face in trying to provide for their children.

'Occasionally I have to swallow my pride and ask (for help) and I don't like to but I will not see my four children go without. I will do so first.'

– Karen, 38, Mooroopna

'Cannot seem to manage costs of day to day living and related expenses on my own with three kids.' – Jennie, 29, Watsonia

'Seeking assistance purely to put food in my kids' mouths, but wish I didn't have to come at all.' – Eileen, 43, Coolaroo

'(It's) hard to manage financially and emotionally being a single parent with six kids.' – Armina, 37, Springvale

'Sole parent payments go nowhere. Children wanting to do activities... in and out of school. I don't socialise anymore as I have no finances after paying (for) bills and food ...' – Angela, 38, Frankston

'(I'm a) single mum trying to help her family but what(ever) I do it doesn't feel that I am getting there. That hurts the most because as a mum you try to do your best for your family.'

– Anne-Marie, 41, Ashburton

Analysing the data by gender also shows that it was more common for men than women to live by themselves, with one and a half times as many men as women indicating that they lived alone. A number of men living alone also indicated that they had a relationship with, or occasional custody of, their children, and struggled to provide for them due to their financial hardship:

'I have two children that I see on weekends and I just can't afford to have them at the moment.' – Luke, 27, Sale

'(It's my) son's 10th birthday, want to give him something.'

– Kamal, 33, Murrumbena

'I get my son on Friday and the cupboards are bare.'

– Andrew, 45, Ashwood

Parenting

This section discusses responses from respondents with dependent children. Figure 4.3 shows that most households with children under 16 had only one child, with two or three children not uncommon. Agencies who commented on the survey findings thought this was unusual as, based on their experience, they would have expected a greater representation of emergency relief recipients with larger families. That this was not the case may have been partly due to the limitations of the survey: as Chapter 3 explained, resource limitations meant that the survey was only conducted in English, thereby excluding emergency relief recipients who could not read or write English. Many

emergency relief agencies assist newly-arrived families, particularly from the Horn of Africa countries, who often have a large number of children. Had the survey been conducted in other languages or with the assistance of interpreters, this finding may have been different.

Figure 4.3 Number of dependent children (of respondents with children)

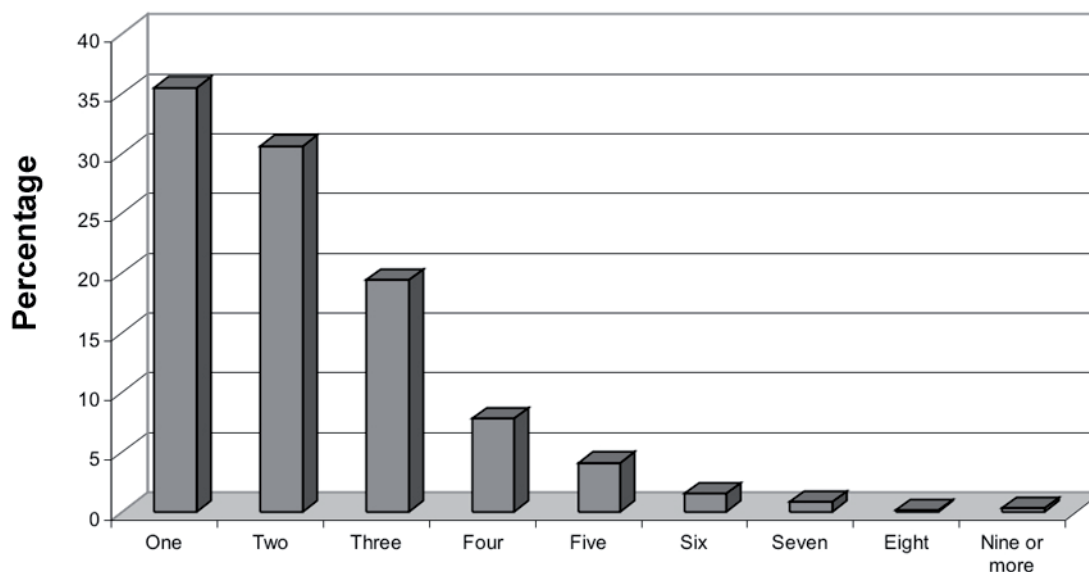


Figure 4.4 shows that, of the households with dependent children, over half had a youngest child under five, with at least one child aged one or under in just under 20 per cent of households with dependent children.

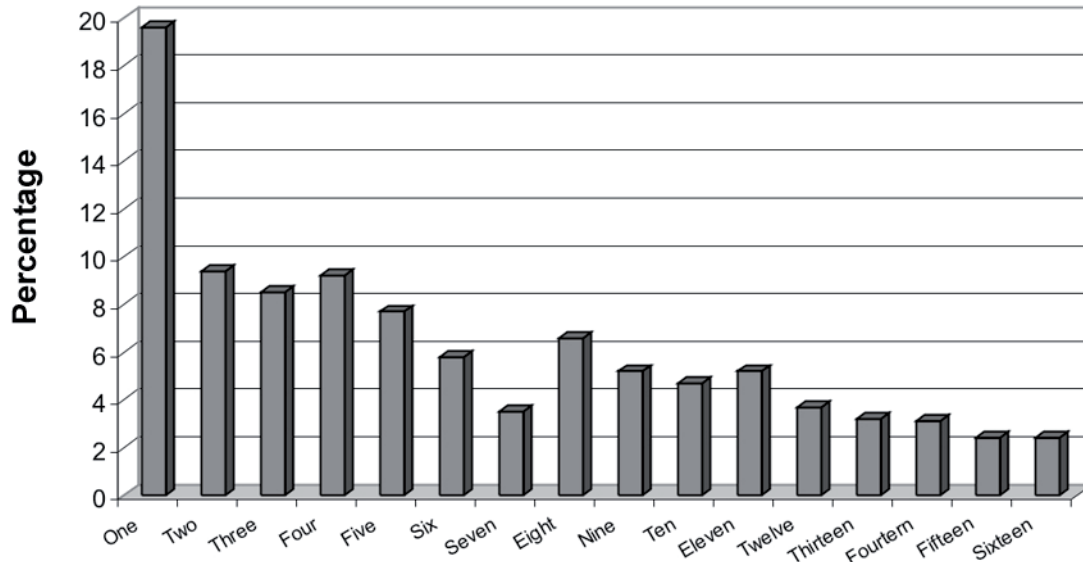
Table 4.4 Number of dependent children (of respondents with children)

| | Number | Percent |
|--------------|-------------|--------------|
| 1 | 389 | 35.5 |
| 2 | 335 | 30.6 |
| 3 | 212 | 19.4 |
| 4 | 85 | 7.8 |
| 5 | 45 | 4.1 |
| 6 | 16 | 1.5 |
| 7 | 9 | 0.8 |
| 8 | 1 | 0.1 |
| 9 or more | 3 | 0.3 |
| TOTAL | 1095 | 100.0 |

Table 4.5 Age of the youngest dependent child (of respondents with children)

| | Number | Percent |
|--------------|-------------|--------------|
| 1 | 203 | 19.6 |
| 2 | 97 | 9.4 |
| 3 | 88 | 8.5 |
| 4 | 95 | 9.2 |
| 5 | 80 | 7.7 |
| 6 | 60 | 5.8 |
| 7 | 36 | 3.5 |
| 8 | 68 | 6.6 |
| 9 | 54 | 5.2 |
| 10 | 49 | 4.7 |
| 11 | 54 | 5.2 |
| 12 | 38 | 3.7 |
| 13 | 33 | 3.2 |
| 14 | 32 | 3.1 |
| 15 | 25 | 2.4 |
| 16 | 25 | 2.4 |
| TOTAL | 1037 | 100.0 |

Figure 4.4 Age of the youngest dependent child (of respondents with children)



This finding is significant as it indicates that there are a high proportion of very young children in families experiencing financial hardship in Victoria. This does not necessarily mean that babies are the main cause of financial stress – for families with several children it may be costs related to school-aged children coupled with the costs of a baby that caused them financial difficulty, as the comments below indicate:

'Daughter has had dental and medical bills, two children had camp two weeks ago. I have a new baby and am not working at the moment.' – Elena, 34, McKinnon

'Home has been ceased (sic). Belongings taken.'

– Michelle, 27, Howitt Plains

(NB Michelle has five children - the youngest are twins aged 10 weeks)

An emergency relief service provider in north west Victoria noted that for families living in rural and regional areas, if anything happens to a child it can be very expensive. As there are often no hospital or specialist services in the local area, medical care can involve costly transport and accommodation in the city:

'My son has a heart problem and has to go to the Royal Children's Hospital quite regularly for tests, which can be expensive after petrol and food.' – Leila, 22, Golden Square

Agencies also noted that having a baby is a time in which many people are very reliant on their families for support. For parents who are unable to seek help from immediate or extended family, this period can be particularly hard. The survey data shows that 56 per cent of all respondents with a youngest child aged between one and five were sole

parents. This is notable in relation to the research, discussed in Chapter 2, that found that the presence of children under ten in sole parent households is significantly linked to financial hardship.

The finding that a high proportion of families with young children in Victoria are experiencing financial hardship highlights the need to ensure that universal 'early years' services are affordable and available to financially-disadvantaged households. Neuroscience research has identified the significant impacts of a child's experiences in their early years on brain development and their later life chances, heightening the importance of ensuring that all children have access to quality supports and services.⁸¹

These findings also raise questions about the adequacy, targeting and effectiveness of social security and tax transfer payments to low income households with children, in particular the effectiveness of the combination of Parenting Payment Single and Family Tax Benefit B in alleviating poverty amongst sole parents with young children. The fact that nearly one fifth of emergency relief recipients with children responding to the survey had at least one baby also calls into question the effectiveness of the Baby Bonus in assisting families to meet the costs of a new child. The Baby Bonus is now means tested and is paid in installments rather than as a lump sum, which may result in its being better targeted towards meeting ongoing rather than immediate costs. Compared to other countries however, the Baby Bonus provides a very low effective level of benefit, equivalent to just over one third of the minimum wage.⁸²

Impacts of Welfare to Work on sole parents

As discussed in Chapter 2, under the Welfare to Work legislation, sole parents applying for social security payments after 1 July 2006 whose youngest child is aged eight or over receive Newstart Allowance rather than Parenting Payment. Sole parents who were already receiving social security payments prior to 1 July 2006 remain on Parenting Payment until their youngest child turns 16, unless they move off income support for more than twelve consecutive weeks.⁸³

Newstart Allowance is paid at a considerably lower rate than Parenting Payment (\$486 per fortnight for a single parent compared to \$562.10⁸⁴) and is subject to a stricter income test and harsher tax treatment. There was widespread concern when Welfare to Work was introduced that sole parents on Newstart Allowance would be considerably worse off than sole parents receiving Parenting Payment.

One of the questions this research project sought to answer was whether sole parents financially affected by Welfare to Work would account for significant demand for emergency relief in Victoria. It was thought unlikely that a high number of sole parents affected by the Welfare to Work changes would be represented in this research as it was conducted not long after the policy changes were implemented. As the changes primarily affect parents with children aged over eight applying for payments after July 2006, it was anticipated that the impacts of the policy would be felt incrementally over a number of years. Additionally, that such a high proportion of survey respondents

had a youngest child aged under eight made it more unlikely that parents financially affected by Welfare to Work would be represented in the survey findings (65 per cent of respondents with children had a youngest child aged 1-7 compared to only 35 per cent with a youngest child aged 8-15).

In spite of these factors, it was interesting to note that while around two per cent of sole parent respondents whose youngest child was aged under eight were on a Newstart Allowance, nearly four times as many sole parents whose youngest child was aged eight or over indicated that they were receiving Newstart. It would be reasonable to assume that the latter group was receiving Newstart because of the Welfare to Work changes.

The finding that nearly four times as many sole parents with older children seeking emergency relief were receiving Newstart Allowance than sole parents of younger children suggests that Welfare to Work had some impact on the financial hardship of sole parents of older children since its introduction in 2006.

Housing

As shown by table 4.6, the most common form of housing for emergency relief recipients responding to the survey was private rental. Private renters accounted for 43 per cent of the sample, while just over 28 per cent of respondents were living in public housing. Eleven per cent of respondents identified that they were homeless, living in crisis accommodation or transitional housing, while another 8 per cent were in other kinds of accommodation including caravan parks and rooming houses. Five per cent of those surveyed had a mortgage.

Figure 4.5 Respondents' housing

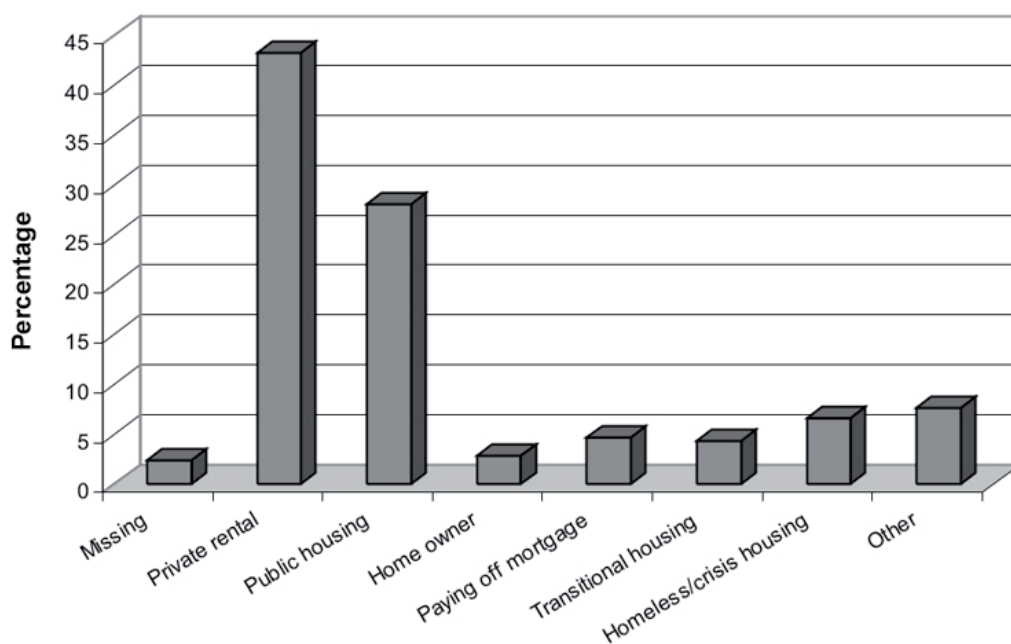


Table 4.6 Respondents' housing

| | Number | Percent |
|--|-------------|--------------|
| Missing | 55 | 2.4 |
| Private rental | 983 | 43.3 |
| Public housing | 637 | 28.1 |
| Home owner | 64 | 2.8 |
| Paying off mortgage | 107 | 4.7 |
| Transitional housing | 98 | 4.3 |
| Homeless/living in crisis housing | 150 | 6.6 |
| Other (incl caravan parks, rooming houses) | 175 | 7.7 |
| TOTAL | 2269 | 100.0 |

It was not surprising to find that nearly half of those surveyed seeking emergency relief to cope with living costs were in private rental. The decrease in affordable housing in recent years outlined in Chapter 2 has been particularly evident in the rental market. Numerous comments from respondents identified the impact that high rental costs had on their ability to afford other essentials. It was notable that the amount of rent several respondents were paying was clearly in excess of the 30 per cent of income considered the measure of housing affordability.

'My rental manager changed – since then the new rental managers send me an eviction notice/warning even if I'm only a day late with the rent. They also want me to go from being a fortnight ahead with my rent to a month ahead (with no notice).' – Alison, 38, Bayswater

'My rent is very high - \$737 (per month) – as I only get \$620 per fortnight to cover rent, utilities, toiletries, medications and then food! Not a great amount to cover all costs.' – Brenda, 48, Elsternwick

'Battling to afford rent. Taken another twelve month lease so (rent) stays at \$934. Went from \$869 (on the) first lease.'
– Maria, 60, Carnegie

'[I'm] surviving on \$600 per fortnight. After \$360 for rent [then] electricity, gas, water, medical (costs), fines, I have \$40 left for food and petrol – how exactly do I survive? If I'm on the verge of homelessness and I'm on my own, what hope do families have?'
– Kelly, 26, Rye

Agencies consulted on the survey findings were surprised at the relatively low proportion of respondents who were homeowners or who had a mortgage, as many identified that they were experiencing strong demand from this group, particularly those in the fringe suburbs of Melbourne. As a worker in one of these areas noted, 'Our agency is currently experiencing an unprecedented demand from home owners/ mortgage recipients as more and more households are being affected by the current economic climate'.⁸⁵ Had this study been undertaken later in 2008 it is possible that the proportion of respondents with a mortgage would have been higher, given the consecutive interest rate rises during 2008. Agencies also suggested that the low representation of homeowners could be partly due to the fact that for many agencies, a Centrelink-issued Health Care Card is necessary to be eligible for emergency relief

assistance, which households experiencing financial hardship but who are not on a low income may not have. Agencies also emphasised that many people experiencing mortgage stress are more likely to seek financial counselling than emergency relief assistance.

At 28 per cent of all respondents, people living in public housing are significantly over-represented in this research compared to their representation in the general population (households in public housing make up around 3 per cent of the Victorian population).⁸⁶ This high need for emergency relief assistance implies that many public housing residents experience considerable financial hardship, despite paying 25 per cent of their income in rent. It is also notable that 18 per cent of emergency relief recipients responding to the survey were experiencing primary or tertiary homelessness (living in transitional housing or in marginal rental accommodation such as caravan parks). Such forms of accommodation fail to provide security of tenure and can also be very expensive, particularly in areas in which landlords know that low-income renters have no other options:

'Me and my daughter spent all our money on rent - caravan park – you have to pay in advance two weeks' – Bruno, 46, Wangaratta

Work and income: Centrelink payments

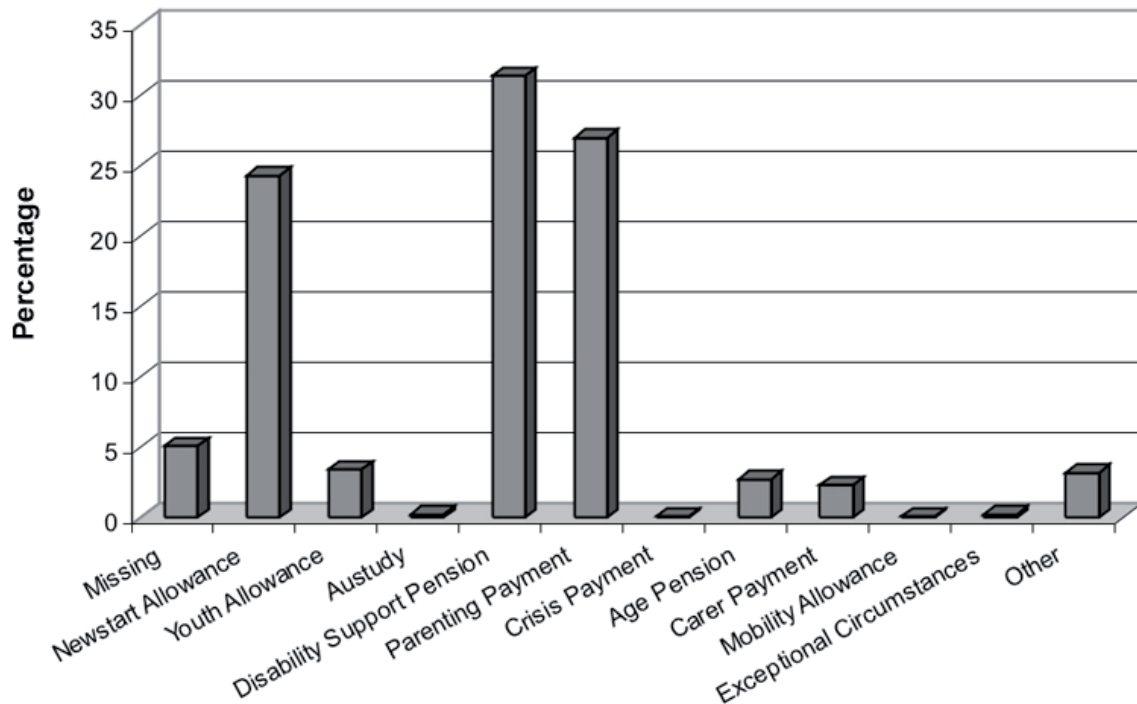
Nearly 95 per cent of survey respondents indicated that they receive some type of social security payment from Centrelink (this included people who were working and received Family Tax Benefits). As noted above, the eligibility criteria for assistance from many emergency relief service providers is a Health Care Card issued to those on certain Centrelink payments, so the finding that the vast majority of emergency relief recipients receive a Centrelink payment is not surprising.

As shown in table 4.7 and figure 4.6, the most common types of Centrelink payments respondents received were the Disability Support Pension (31 per cent), Parenting Payment (27 per cent) and Newstart Allowance (24 per cent).

Table 4.7 Types of Centrelink payments received by respondents

| | Number | Percent |
|-----------------------------------|-------------|--------------|
| Missing | 116 | 5.1 |
| Newstart Allowance | 551 | 24.3 |
| Youth Allowance | 78 | 3.4 |
| Austudy | 5 | 0.2 |
| Disability Support Pension | 712 | 31.4 |
| Parenting Payment | 613 | 27.0 |
| Crisis Payment | 2 | 0.1 |
| Age Pension | 61 | 2.7 |
| Carer Payment | 53 | 2.3 |
| Mobility Allowance | 2 | 0.1 |
| Exceptional Circumstances Payment | 4 | 0.2 |
| Other | 72 | 3.2 |
| TOTAL | 2269 | 100.0 |

Figure 4.6 Types of Centrelink payments received by respondents



It is significant that most people in financial hardship who responded to this survey were receiving a Disability Support Pension (DSP). People with a disability or chronic illnesses often have substantial costs associated with their conditions, putting pressure on their ability to afford other essential expenses. Many comments from respondents about the difficulties of coping with costs of living came from people with a disability, as well as respondents with children with a disability:

'My rent has gone up, I have to pay for home help ... rent, telephone, TXU, and now extra medications. I find it very hard most times to manage without emergency relief assistance. I have a motorised wheelchair purchased for me ... and all my clothes are [from] op shops.' – Brenda, 51, Wonthaggi

'My mum is very ill and it has been costing me a lot of money travelling to and from hospital and I only had \$275 to last a week with three children and two have disabilities and [I'm] not receiving the right child support.' – Jessica, 27, Hallam

'On disability pension, \$638.90 per fortnight, \$432.50 rent per fortnight. No money for food once rent and bills are paid. On public housing waiting list.' – Olga, 47, Greensborough

'With going to hospital three times a week and extra medicine and paying bills the pension isn't enough.' – Joumanah, 49, St Albans

'[I'm] unable to work because of disability. I get puffed out a lot as I have one lung. A lot of times I find it hard to make ends meet as price of things keep going up.' – Robin, 50, Shepparton

'This is the only assistance I ever ask for and it's important to enable me to manage my normal bills and unexpected expenses, especially as I'll never be able to work again.' – Madeleine, 45, Footscray

Looking at these findings in conjunction with the data on respondents' ages shows that over two thirds of respondents receiving the DSP (66 per cent) were aged between 25 and 49. Adding to the high costs of living that come with disability and chronic illness is the fact that many people acquire their disability or chronic illness when they are of working age. As such, many will not have had the opportunity to build up the asset base which could provide a buffer to high living costs.

Comparing this data with the findings on household type shows that nearly half of respondents experiencing financial hardship and receiving the DSP lived alone (43 per cent). As highlighted previously, household expenses such as rent and utilities can be nearly as high for a single person as for a couple, so it is not surprising that people with a disability reliant on a Centrelink income and living alone are struggling financially.

The data also shows that 17 per cent of DSP recipients were sole parents. There are a number of reasons why a sole parent with a disability may receive the DSP rather than Parenting Payment. Although the basic payment rates are the same, the income and asset tests are more generous for the DSP than for Parenting Payment. Additionally, it is also possible that some sole parents will have transferred to the DSP from Parenting Payment when the Welfare to Work legislation was introduced. As discussed in Chapter 2, Welfare to Work affects people with a disability applying for social security payments assessed as able to work for 15 hours per week. For sole parents with a disability unable to work part time, transferring to the DSP would mean they could retain a pension-level payment and not face possible transference to a lower payment, or being compelled to look for or undertake part time work.

Of the 27 per cent of respondents receiving Parenting Payment, the majority (77 per cent) are sole parents and 92 per cent are women. As discussed earlier, this finding is not surprising given that sole parents are widely acknowledged to be at particular risk of poverty. Having acknowledged the difficulty of living on a Newstart Allowance of \$224.65 a week as a single person, it is also not surprising to find that nearly a quarter of respondents were Newstart recipients. Analysing the Centrelink payment findings together with the data on household type shows that 38 per cent of Newstart recipients live alone, and a further 21 per cent live in a share house. Given the high costs of living experienced by single-income households, it is understandable that Newstart recipients living alone struggle to make ends meet, and that many live in a share house.

Overall the proportion of respondents receiving the Age Pension was quite small – 3 per cent – which is somewhat surprising given the relatively higher public focus on the

cost of living pressures experienced by this group. Most would have been receiving the single Age Pension, as analysis of this data together with the data on household type shows that 57 per cent of Age Pension recipients lived alone. As discussed in Chapter 2, it is acknowledged that single age pensioners are finding it particularly difficult to cope with costs of living.

As noted earlier, several agencies consulted on these findings were surprised that age pensioners were not more strongly represented in the data, and they noted that it is very difficult for many of this generation to ask for help. As one worker said,

*'I have assisted a number of Age Pensioners ... and during the course of the interviews have discovered that they often go without food or eat less in order to keep their accounts paid up. There appear to be generational differences in attitudes to money and spending and even when we do assist older clients ... they are reluctant to take the handout and I have to work hard to maintain their dignity in these cases ... It is not that older people don't need help but very few know where to ask for it and are reluctant to do so as they are from the generation that always 'got by' somehow.'*⁸⁷

The very low proportion of respondents receiving an Exceptional Circumstances (drought relief) payment was somewhat surprising, given the strong representation of rural and regional Victorians experiencing financial difficulty in this survey, the prolonged drought experienced by most of Victoria for the past few years, and the extension of the eligibility criteria for the payment to include industries and businesses significantly affected by the drought as well as farms. One worker in north-west Victoria consulted on the findings identified that in her experience, many households who would be eligible did not receive an Exceptional Circumstances payment. She noted that it was very hard to get people to apply for the payment: many had never had to apply for income support prior to the drought, and pride constituted a significant barrier to their doing so.

There is no question that the drought has contributed to increasing demand for emergency relief in rural and regional Victoria. A recent survey of agencies assisted by VicRelief FoodBank found that 31 per cent of Victorian agencies surveyed said that drought relief was a major reason for people seeking assistance, and that agencies in drought-affected areas reported up to a 46 per cent increase in demand for assistance between 2007 and 2008.⁸⁸ The following comment from a respondent to this survey as to why she was seeking emergency relief sums up the situation for many in rural and regional Victoria:

'Drought. Cannot cope anymore.' – Marion, 61, Portland

Below is a selection of comments from respondents receiving a Centrelink pension or allowance in relation to their reasons for seeking emergency relief on the day they completed the survey. A number of these comments have been included here as the repetition of themes is remarkable when read together: they represent a consensus

amongst respondents of all ages and in all areas of the state that Centrelink payments are simply not enough to live on. It is very clear from these comments that many households are in financial hardship because the income they receive from Centrelink is inadequate and that they depend on assistance from emergency relief agencies to get by.

'I cannot live on the pension and pay rent and \$70 prescriptions and all everyday bills.' – Rosalie, 64, Werribee

'[I need help] to keep alive as Centrelink payment does not last long.'
– Barry, 60, Kew

'It is very hard to find a job and support your family on Centrelink payments.' – Michelle, 43, Yarram

'I am desperate – how to survive after all the bills and debt for two weeks! ... I've found that it is not enough money from Centrelink for normal living. Prices of food going very high! I've also found that even rent for public units is too much for pensioners.'
– Faith, 56, Murrumbena

'Food and rent costs [are] going up and still Parenting Payments don't increase.' – Vanitha, 27, Springvale

'Everything is dear and cannot afford to live off Centrelink payments.'
– Deborah, 32, Moe

'Centrelink provide too little money for people to be able to survive, especially for students over 18.' – Kieran, 19, Bendigo

'Centrelink payments don't make ends meet.' – Kate, 32, Kilsyth

'Centrelink payments – you can't survive on the amount families receive. I apply for at least 20-30 jobs and don't even get an interview.'
– Maggie, 55, Dromana

Work and income – employment

Just over 11 per cent of emergency relief recipients responding to the survey indicated that they were doing some form of paid work. While this may seem low, it needs to be remembered that around 60 per cent of respondents were either engaged in parenting children (often quite young children), had a disability which prevented them from working, or were caring for someone with a disability. This means that the payment they received from Centrelink did not require them to be working or looking for work, although given the analysis and comments below, some respondents receiving a Disability Support Pension, Parenting Payment or Carer Payment would have been engaged in work. Additionally, many respondents who weren't working said that they

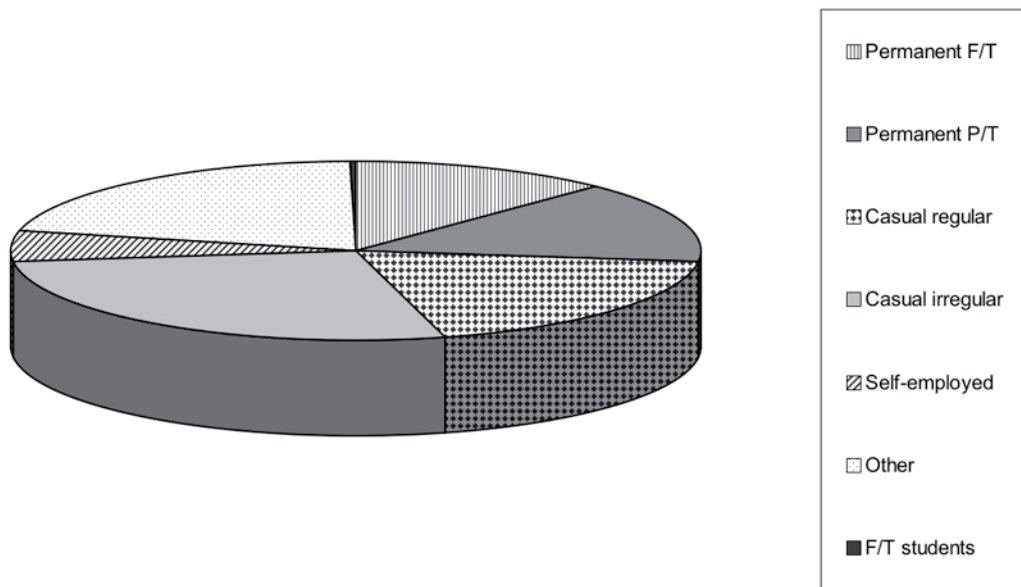
Table 4.8 Employment status of respondents who were working

| | Number | Percent |
|---------------------|------------|--------------|
| Permanent full time | 31 | 12.1 |
| Permanent part time | 38 | 14.8 |
| Casual regular | 48 | 18.8 |
| Casual irregular | 70 | 27.3 |
| Self-employed | 14 | 5.5 |
| Other | 54 | 21.1 |
| Full-time students | 1 | 0.4 |
| TOTAL | 256 | 100.0 |

were looking for work, were undertaking a course or training or were doing volunteer work.

As figure 4.7 below shows, of the 256 respondents who said they were working, 46 per cent were in regular or irregular casual work, 15 per cent of respondents who were working had permanent part time jobs, while 12 per cent had permanent full time jobs.

Figure 4.7 Employment status of respondents who were working



Over two thirds of the respondents who were working reported that they were working an average of 15 hours or less a week, suggesting that at least some of those working were parents or DSP recipients. Under the Welfare to Work legislation discussed in Chapter 2, parents whose youngest child is aged six or over are required to look for or undertake paid work for at least 15 hours a week. People with a disability are assessed as to their work capacity, and those assessed as able to work 15 hours a week receive a Newstart Allowance rather than the DSP. Twenty-two per cent of all respondents who were working identified that they had an illness or disability affecting their ability to work more hours.

The finding shown in figure 4.7 that 12 per cent of respondents who were working had permanent full time work and required emergency relief assistance to make ends meet raises questions about wage adequacy and levels of household expenditure, debt and savings. These respondents may represent the middle class households having ‘run

aground on the rocks of unsolicited credit' as discussed at the start of this chapter. They may generally get by but lack the savings to cope with a sudden emergency. They may be working at the lower end of the job market having experienced a loss of pay or conditions due to WorkChoices, as discussed in Chapter 2. Alternatively, they may be in partnered households with one wage-earner like 'Georgia's' below, for whom one wage and one statutory income were insufficient to meet costs of living:

'Husband's wage covers only the mortgage and we rely on Centrelink benefits to cover the rest but it doesn't nearly cover it all.'
 – Georgia, 36, Kilsyth

The comments of survey respondents about their experiences in relation to work illustrate the difficulties that many people face in working, in looking for work, and in being unable to work. Some clear themes emerged from these comments:

- the impacts of illness and injury;
- the costs associated with looking for work;
- the need for a car in order to work in many parts of the state;
- the financial insecurity of casual work;
- the challenges of balancing work and caring for children;
- transitioning between work and Centrelink payments, and
- the difficulty of being on Workcover payments.

A number of these comments are reproduced here as they powerfully contradict the stereotypes of social security recipients being unwilling to work. Many respondents who were not working went to some lengths to explain that they were not out of work through choice: many were actively engaged in looking for work, and those unable to work were evidently frustrated and unhappy about not being in work.

'My illness has caused me many financial problems, also I lost my vehicle and can't earn money. I was reporting my earnings before I fell sick with cancer again.' – Mark, 31, St Albans

'Kinder fees and child care fees add up while looking for work.'
 – Jana, 28, Craigieburn

'I would like a full time job (but) I don't have a car.'
 – Ahmed, 42, Noble Park

'Reliable car problems forced me to leave employment in 2007. Receiving no payment from Centrelink this week due to casual earnings paid next week. Paid fortnightly only from Centrelink and casual work affects payments before being paid for it.'
 – Susan, 42, Shepparton

'I am establishing my credibility as a responsible employee within a professional field (but) lacking all human necessities – food, shelter, warmth, hygiene – discredits my credibility...' – Fiona, 44, Hamilton

'(I) travel one hour and 20 minutes by car to work. Car got smashed, waiting three weeks to have it repaired to get back to work.'

– Liam, 23, Kilcunda

'On DSP. No fruit to pick.' – Sean, 43, Kinglake

'Did my back. No Workcover. I miss having a decent job, ie. more than 30 hours a week, more than \$20 an hour.' – Hassan, 33, Arthurs Seat

'I was a subcontractor bricklayer, stopped work because of knee injury....Need help moving, my knee needs a replacement....[have] depression.' – Steve, 43, Rosebud

'Suffered a severe back injury May 2007....Injury restricts hours and type of employment. Having trouble financially due to injury and not being able to work full time in my trade.' – Warren, 49, Cape Schank

'Had to leave work as moved due to domestic violence.'

– Martha, 32, Glen Huntly

'If I could get a few hours work per week it'd mean I wouldn't need to ask for assistance. Think I will look into cleaning work though have sore knees.' – Silvana, 51, Murrumbena

'I was employed casually so no maternity leave or entitlements.'

– Audrey, 43, Montmorency

'Casual work dried up, sprained ankle and no further casual work possible until ankle is healed.' – Leanne, 48, Wodonga

'There is no way to make ends meet with five children. It costs too much money for childcare to make it worthwhile to go to work as I am non-skilled. The Government wants people to have more children but non-skilled workers can't win either way.' – Angela, 36, Kilsyth

'Have to work first to get money but at majority of childcare centres you have to pay one month in advance – if (job is a) temporary position you only receive more debt!' – Phuong, 30, Ferntree Gully

'I realise instead of seeking part time work I will definitely have to look at full time work as cost of living is too high, which I didn't want to do yet because of my child.' – Jenny, 35, Carnegie

'On Workcover and not entitled to a health care card. This means prescriptions (not associated with injury) are causing severe financial hardship.' – Malcolm, 60, Frankston

'I am on Workcover and husband unemployed, lost job due to drought and unable to get Centrelink payments due to my Workcover.'
– Denise, 41, Eaglehawk

One of the survey questions in the 'Income and work' section asked respondents who were working whether one or more of the following things had happened to them at any time since July 2006:

- their wage had decreased because of a change to their contract;
- their roster or hours had changed when they hadn't wanted them to change;
- they had left a job due to problems in the workplace;
- they had been dismissed from a job for a reason defined by the employer as misconduct, and/or
- they had been forced to resign from a job.

This question was included as it was anticipated that a number of the people responding to the survey would have been working in casualised jobs at the lower-paid end of the job market and combining work with a Centrelink pension or allowance. As such they would have been particularly susceptible to some of the negative anticipated effects of the WorkChoices legislation introduced in July 2006 discussed in Chapter 2. This question was aimed at finding out whether this was the case.

Of the respondents who were working, despite a small sample, 58 per cent indicated that they had experienced one or more of the outcomes listed above since the introduction of WorkChoices. A further 39 per cent identified other changes to their work or wages in that time, such as being dismissed from a job without notice, as described in the comments below.

'Never asked back after Christmas. Worked there for 7 years. Re-evaluated staff.' - Marco, 39, Appin Park

'Wage decreased by 75 per cent, due to go down even more.'
– Laura, 39, Hallam

'Contract ended – had to go full time or leave and company refused to make me full time.' – Ali, 38, Melton

'(They) brought in contract cleaners. I only work Friday mornings about four hours at the moment.' – Jason, 44, Kangaroo Flat

'I was bullied into leaving my job. I had been working 15 hours [a week].' – Kim, 37, Warrnambool

'I had no warnings before being sacked. I moved from out of town so I could get more hours. Have recently spent money on furniture etc that could have waited, but I anticipated job security.'

– Sandra, 45, Bullarto

Recent research, some of which was discussed in Chapter 2, concludes that the WorkChoices legislation contributed to increased uncertainty for workers in precarious employment. The finding that well over half of the respondents to this survey who were working had experienced one or more factors which eroded their working conditions since the introduction of WorkChoices – and for which they would have had no legal recourse under WorkChoices – further supports this conclusion. There is no question that for these respondents, such experiences contributed to their financial hardship and to their need to seek emergency relief assistance.

Under the Welfare to Work changes discussed in Chapter 2, those who were working and receiving Newstart Allowance, and some of those receiving Parenting Payment, would also have been at risk of having their payment immediately suspended for eight weeks if they had voluntarily left a job or been dismissed from a job for a reason defined by the employer as misconduct (even if that dismissal would have been subject to an unfair dismissal claim prior to WorkChoices). Those who experienced the impacts of both Welfare to Work and WorkChoices would have experienced even greater financial vulnerability from both the loss of a job and the suspension of their Centrelink income.

Conclusion

The findings presented in this chapter largely reinforce the findings of previous research that those most likely to seek emergency relief are women, sole parents and those who are unemployed. Interestingly, the largest category of social security recipients who responded to this survey, Disability Support Pension recipients, were not highly represented in the earlier research cited, but were prominently noted in the report of the Senate Inquiry into Poverty and Financial Hardship. It had been anticipated that both older people and younger people would be more strongly represented in this research, however the majority of respondents were in middle adulthood.

Respondents with children most frequently had one or two children, and over half had at least one child under five. Only one third of sole parents had a youngest child aged over eight, meaning that the Welfare to Work legislation would not have had a financial impact on the majority of sole parent respondents at the time the survey was conducted. However, the finding that more sole parents with older children were receiving a Newstart Allowance than those with younger children, and therefore receiving less income from Centrelink than sole parents receiving a Parenting Payment, suggests that the policy would have contributed to some financial hardship amongst sole parents of older children. Additionally, many respondents receiving various social security payments indicated that a Centrelink income was not sufficient for them to live on.

A relatively small proportion of respondents said they were doing paid work, which was not surprising given that the majority of respondents were engaged in parenting or had a disability. Most who were working were in casual employment. A small proportion of respondents were in full time employment but still required emergency relief assistance to make ends meet. It was significant that the majority of respondents who said they were working identified that they had had one or more negative employment experiences since the introduction of WorkChoices.

The next chapter considers the findings about the costs which contributed to respondents' need to seek emergency relief.



Chapter 5: The findings - which costs contribute to demand for emergency relief in Victoria?

This chapter analyses the responses from the 2,269 surveys to the final two questions: 'What is your MAIN reason for seeking emergency relief assistance today?' and 'Have any of the following (costs) also caused you financial difficulty recently?' (see Appendix).

These questions were structured in this way to gain an understanding of both the kinds of assistance most in demand from emergency relief service providers, and the living costs which contributed to the financial pressures experienced by Victorian households between 2007 and 2008. The experience of emergency relief agencies suggests that households in financial hardship typically juggle a range of expenses, paying essential bills and debts first, and seeking assistance with 'discretionary' items such as food. Therefore, only asking about respondents' immediate reason for seeking emergency relief would not provide an adequate understanding of the range of expenses that contributed to their need to seek assistance.

Respondents' main reason for seeking emergency relief

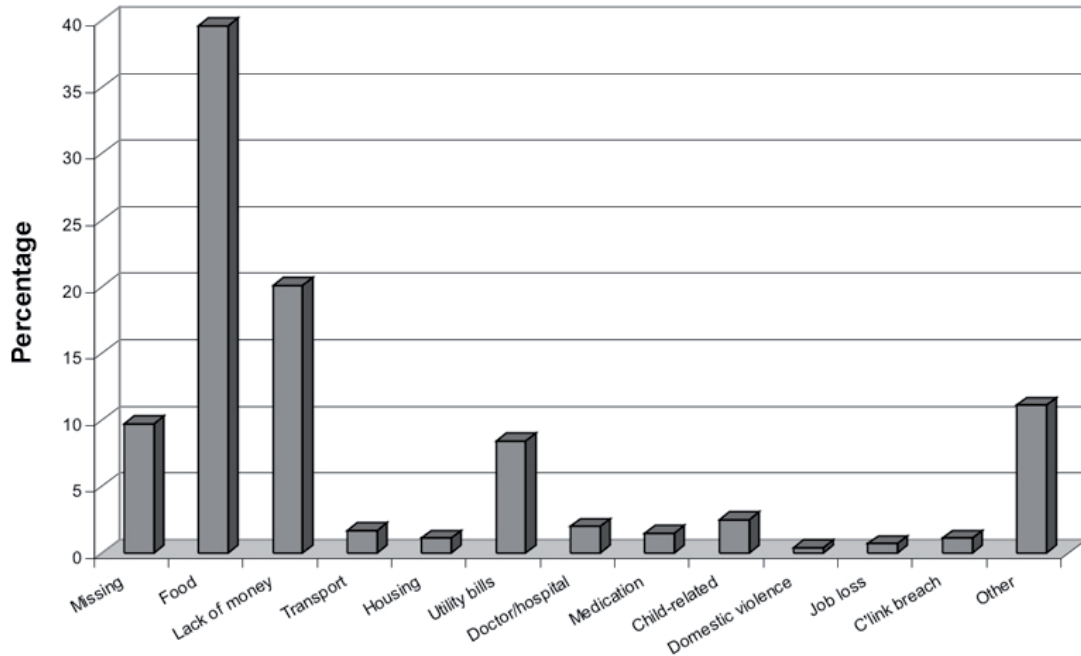
Table 5.1 and figure 5.1 show the responses to the first question regarding the main reason respondents sought assistance on the day they completed the survey. They can also be interpreted as illustrating what assistance people were primarily seeking from the agency on that day. As respondents could write their response in their own words, responses were grouped by subject – many people simply wrote 'hungry', for example, which was grouped in the 'food' category. Where one or more responses were given, only the first response was included in the data collection, as this was determined to be the person's primary reason for seeking assistance.

Table 5.1 Respondents' main reason for seeking emergency relief

| | Number | Percent |
|---|-------------|--------------|
| Missing | 220 | 9.7 |
| Food | 898 | 39.6 |
| Lack of money | 457 | 20.1 |
| Transport costs | 38 | 1.7 |
| Housing costs | 25 | 1.1 |
| Utility bills | 191 | 8.4 |
| Doctor/hospital costs | 46 | 2.0 |
| Medication costs | 35 | 1.5 |
| Child-related expenses (including school costs) | 56 | 2.5 |
| Costs related to domestic violence | 9 | 0.4 |
| Loss of job | 16 | 0.7 |
| Centrelink payment suspension ('breach') | 26 | 1.1 |
| Other* | 252 | 11.1 |
| TOTAL | 2269 | 100.0 |

*Includes fines, clothing and the need to repair/replace household item

Figure 5.1 Respondents' main reason for seeking emergency relief



The main reasons given by respondents for seeking emergency relief on the day they completed the survey were need for food (40 per cent) and having run out of money (20 per cent). These findings need to be interpreted in the context of the kinds of assistance that emergency relief agencies generally provide. As most agencies provide food vouchers or parcels, it follows that most people would be seeking food when they presented for emergency relief assistance. Similarly, a low response rate for some items does not necessarily indicate that those things did not cause respondents financial pressure, it may simply be that they did not seek assistance to meet those costs from emergency relief agencies. For example, it is not surprising that few people indicated housing as their main reason for seeking emergency relief, as very few emergency relief agencies provide assistance with housing. Respondents may well have also sought assistance with finding housing or with housing costs from other agencies.

The finding that most respondents primarily sought assistance with food from emergency relief agencies supports the findings of other recent Victorian research on demand for food relief and the incidence of food insecurity. Eighty-three per cent of Victorian emergency relief agencies supported by VicRelief Foodbank who were surveyed in 2008 indicated that the major service they provided was food parcels, with 46 per cent providing food vouchers as a main service.⁸⁹ Research by Community Indicators Victoria discussed in Chapter 2 notes that an average of six per cent of Victorian households ran out of food in the previous 12 months and could not afford to buy more, with this figure being over 10 per cent of the population in some parts of the state. Other research by VicHealth discussed previously also found that around one third of Victorians experiencing food insecurity said that they seek assistance from community organisations to obtain food.

Respondents' comments relating to their need for food assistance reinforce anecdotal evidence that households in financial stress prioritise essential expenses, primarily housing and utilities, and then seek assistance with food. As one emergency relief agency noted, 'It (food) is the only thing they have any discretion over'.⁹⁰ The comments regarding the impact of a sudden loss of electricity on food storage are also striking, illustrating the difficulty that households in financial hardship can have in coping in the event of a crisis.

'Every now and again bills mount up. I pay then I can't afford food or other comforts.' – Carlos, 52, Watsonia

'The main reason I'm seeking help today (is) cause I spend all my money with my rent and my bills and (have) nothing left for kids' lunch.' – Kavitha, 41, Springvale

'Everything is too expensive. By the time you pay your bills there's no money for food.' – Annette, 45, Wantirna

'I'm hungry. Need petrol for my body.' – Julian, 35, Frankston

'It's very helpful to be able to come here after spending all my money on bills etc and get some vouchers for food.' – Craig, 29, Caulfield

'If it wasn't for the Food Bank's help my family and I would not be eating today.' – Shaun, 32, Horsham

'Truthfully I have no choice, either get assistance or don't eat for two weeks (sorry).' – Jamal, 38, Broadmeadows

'Two of my children are coming to visit for the holidays and I don't have enough food for them.' – Cath, 40, Brunswick

'Child turned off freezer...it's normally OK but with freezer turned off, no food and all bills to pay...' – Yeo-Jin, 36, Fountain Gate

'Power off for three weeks, no storage, lost all food for two weeks.'
– Alistair, 27, South Melbourne

Twenty per cent of respondents indicated that their main reason for seeking emergency relief was having run out of money. While it had been anticipated that respondents would primarily be people on low incomes with high day-to-day living costs, comments provided in relation to this question provided reasons for a shortage of money that had not been anticipated in the design of the survey questions. Significant expenses highlighted by respondents included costs relating to pregnancy, home and car insurance (particularly in the survey period at the start of 2007), vet expenses for pets, and having to repair or replace whitegoods or electrical appliances.

The following three cost pressures were identified frequently enough to warrant further exploration.

Centrelink payment issues

The survey asked respondents whether a suspension, or 'breach', of their Centrelink payment was a reason for their seeking emergency relief on the day they completed the survey. As discussed in Chapter 2, under Welfare to Work, social security recipients subject to 'activity requirements' such as looking for work can have their payments suspended for eight weeks for non-compliance with these requirements. The proportion of respondents who said that a Centrelink payment suspension, or breach, was their main reason for seeking emergency relief or contributed to their financial hardship was 1 per cent and 0.5 per cent of respondents respectively. While not all of these would necessarily refer to eight-week non payment periods, it is significant that this percentage is consistent with the proportion of Centrelink recipients who experienced an eight-week non-payment period nationally in 2007-08.⁹¹ This finding strongly suggests that people who incur Centrelink payment suspensions do turn to emergency relief service providers for assistance in meeting their costs of living, as has been argued in submissions to the Federal Government's review of employment services.⁹²

Although the survey did not ask about other Centrelink-related issues contributing to respondents' financial difficulty, 7 per cent of respondents indicated that they were waiting to be put on a Centrelink payment. A number also nominated an issue with their, or a family member's, Centrelink payment as contributing to their need to seek emergency relief, as detailed in the comments below. While not always the result of a payment breach or suspension, these issues clearly contributed to respondents' financial hardship. The comment regarding the requirement of a birth certificate to receive Centrelink payments is worth noting as it could be assumed this may pose difficulties for others in the community, particularly those from Indigenous and culturally and linguistically diverse backgrounds.

'Been on a Centrelink breach so I have been short of money.'

– James, 33, Bendigo

'DSP been suspended so no money til it sorts out.'

– Karla, 38, Bayswater

'Son getting cut off the dole.' – Sala, 46, Deer Park

'I was receiving Carers Pension as my partner was sick. (I was) advised benefit is cut off due to not applying for Newstart (Allowance). I didn't know I had to reapply for pension.' – Rose, 56, St Kilda

'(I) was cut off pension for forgetting to put form in. Need uniform for daughter for school.' – Rosalie, 45, Shepparton

'Was cut off DSP at Christmas/New Year because I applied for a job but didn't get it. Severe financial hardship – nowhere else to turn for help.' – Aaron, 39, Caulfield

'Centrelink stopped my payment without giving proper notice. Centrelink are being unreasonable in saying I must provide birth certificate to get a payment as it takes time to get a birth certificate.'
 – Geoff, 50, Wonthaggi

'(I'm) supporting two adults on one Centrelink benefit because ... Centrelink continually refusing my 19 year old, six months pregnant partner an allowance and I can't work under my medical condition ... Just trying to survive until baby is born and/or I'm healthy enough to work.' – Joseph, 33, Noble Park

Debt

As discussed in Chapter 2, emergency relief agencies report that they are seeing more people seeking assistance to cope with credit-related debt. For people needing credit who cannot access affordable credit through banks, the only option may be a loan from a fringe credit provider. While the legal cap for interest rates in Victoria is 48 per cent, loopholes enable some fringe lenders to charge additional fees that bring costs up to several thousand per cent. The fringe credit market has increased in size and visibility in recent years, a clear indication that people lack more affordable options. Comments such as those below indicate that some respondents had been subject to such 'predatory lending'.

'We were forced by the taxation department when unemployed to take out a credit card each to pay off a tax debt. Seven years later we are still stuck with the full amount of credit card debt. We have been low on income for over ten years. Our business went bust.'
 – Fiona, 42, East Bentleigh

'Am bankrupt and virtually in big trouble, owe Cash Converters and friends \$2,500.' – Sandra, Hallam

'Having trouble with money I borrowed off financial lenders in Dandenong. Interest rates are crazy.' – May, 24, Narre Warren

'Quit work due to illness (depression). Unable to continue to pay loans and credit cards – bankruptcy.' – Adam, 30, Portland

Crisis

People living in, or on the verge of, financial hardship find it particularly hard to cope in an emergency. Research by the Social Policy Research Centre found that around 43 per cent of people accessing community services surveyed did not have comprehensive motor vehicle insurance, just over 46 per cent did not have home contents insurance and nearly 60 per cent said they did not have \$500 in savings for an emergency.⁹³ It is notable that a number of respondents to this survey indicated insurance as an expense

which had contributed to their need to seek emergency relief, reinforcing the burden that insurance can place on low income households.

The following comments by survey respondents illustrate how a sudden crisis, emergency or major life event such as an accident, major operation or death in the family can cause or exacerbate financial hardship for those without back-up resources.

'Income halved. Bills don't stop.' – Lynn, 49, Noble Park (husband passed away suddenly)

'Had a car accident – bills etc fell behind in order to pay excess and to catch up. There was a lot of juggling to be done.'

– Shelley, 33, Caulfield

'Husband had accident, cracked ribs.' – Sonja, 64, Ardmona

'Wife had leg amputated.' – Brian, 79, St Kilda

'Don't get enough money to cover all expenses when something unexpected like a funeral comes along.' – Lisa, 45, Mildura

'Had nowhere else to turn as my dad has just been told he has cancer and (my) parents are very stretched with his medical costs as well.' – Alison, 33, Rosebud West

'Since my son died in a car accident I have been financially crippled and also depression caused me to make some poor choices.'

– Beth, 59, Kilsyth

'Stopped work due to loss of child. 8 months pregnant. Stillborn. Not coping.' – Alicia, 33, Wyndham Vale

Other costs contributing to respondents' financial hardship

Table 5.2 and figure 5.2 show the costs of living most frequently identified as contributing to the financial hardship of emergency relief recipients who responded to the survey. Respondents could select as many of the options provided as applied to them, which is why the total number of respondents in table 5.2 is much greater than the number of respondents.

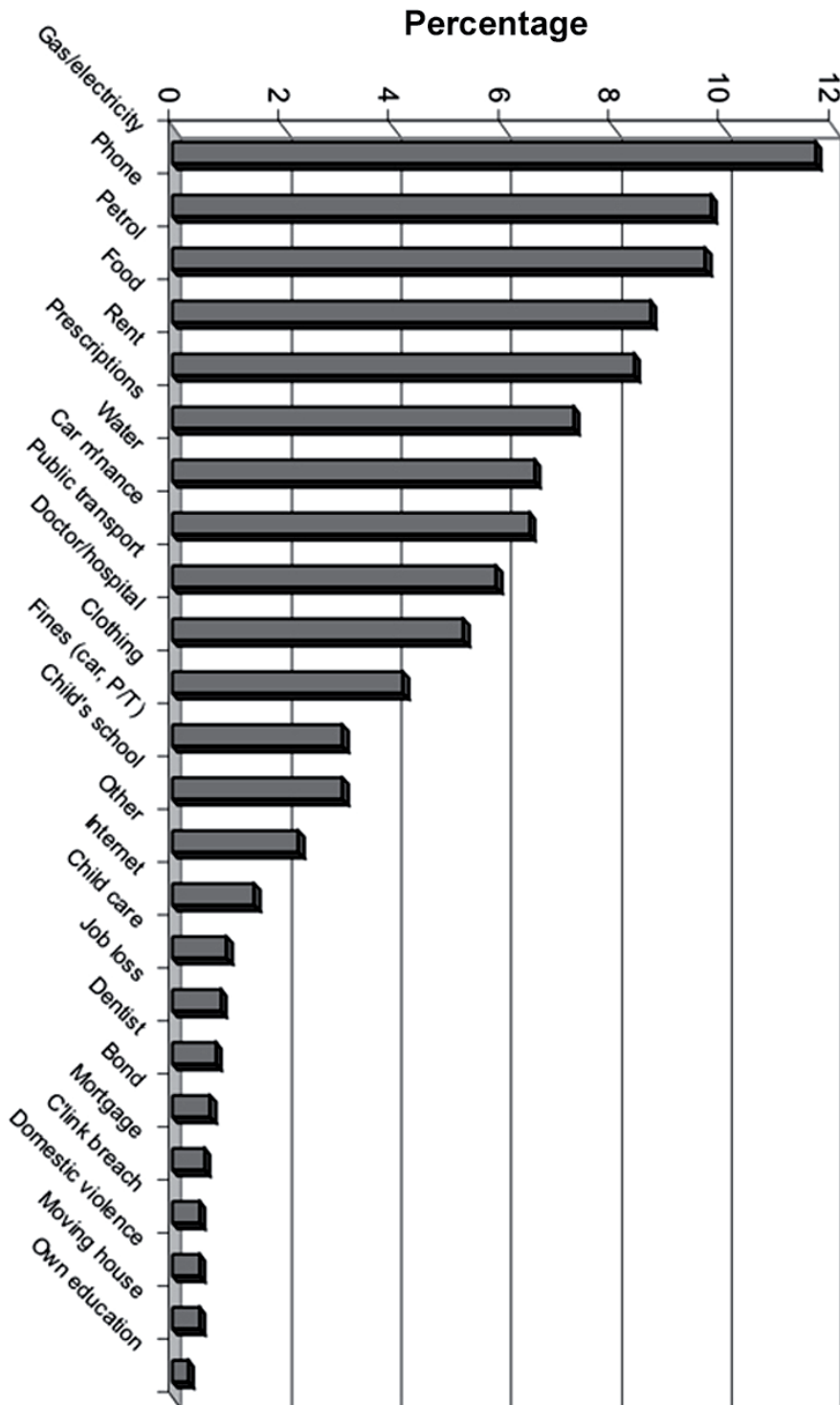


Figure 5.2 Other costs contributing to respondents' financial hardship (%)

Table 5.2 Other costs contributing to respondents' financial hardship

| | Number | Percent |
|--|--------------|------------|
| Gas/electricity | 1169 | 11.7 |
| Phone | 986 | 9.8 |
| Petrol | 970 | 9.7 |
| Food | 867 | 8.7 |
| Rent | 843 | 8.4 |
| Prescriptions | 736 | 7.3 |
| Water | 662 | 6.6 |
| Car maintenance | 652 | 6.5 |
| Public transport | 589 | 5.9 |
| Doctor/hospital | 534 | 5.3 |
| Clothing | 424 | 4.2 |
| Fines (car, P/T) | 312 | 3.1 |
| Child's school | 307 | 3.1 |
| Other | 226 | 2.3 |
| Internet | 152 | 1.5 |
| Child care | 101 | 1.0 |
| Job loss | 95 | 0.9 |
| Dentist | 80 | 0.8 |
| Bond | 66 | 0.7 |
| Mortgage | 64 | 0.6 |
| Centrelink payment suspension ('breach') | 54 | 0.5 |
| D/V | 49 | 0.5 |
| Moving house | 47 | 0.5 |
| Own education | 31 | 0.3 |
| TOTAL | 10016 | 100 |

The top ten costs of living nominated by respondents as causing financial stress are discussed below.

1. Gas/electricity – 12 per cent

The costs identified by the greatest proportion of respondents as contributing to their financial hardship were gas and electricity costs. There are several probable reasons for this. The utility bills of low income rental households can be quite high due to the poor thermal efficiency of much rental housing, coupled with the inefficiency of electrical appliances affordable to households on a tight budget such as fan heaters and second-hand fridges. Gas and electricity prices have also increased markedly in Victoria over the past few years, as discussed in Chapter 2, with the impact of utility cost increases particularly felt in drought-affected areas. The strong representation of rural and regional Victoria in this research is a possible factor in the prominence of utility costs. However, the breakdown of cost pressures over different regions in Chapter 6 shows that the proportion of respondents identifying utilities as a cost pressure was relatively evenly spread across all regions.

Even though most utility companies offer hardship programs, many people still struggle to meet these costs. People also frequently request assistance from emergency relief service providers to access utility companies' hardship programs, which is often much easier through a financial advocate.

Gas and electricity are vital for health and wellbeing. They are necessary for heating and cooling a home, for cooking and lighting, and to keep the fridge running so the food doesn't spoil. It is therefore not surprising that people in financial hardship prioritise paying gas and electricity bills for fear of being disconnected, as the comments below indicate.

'Last week I paid electricity, gas and water which left me short of money.' – Rae, 56, Maidstone

'Utilities needed to be paid, or risk disconnection.'

– Nicole, 24, Tootgarook

'Very high gas bill over winter.' – Kate, 20, Croydon

'(I'm) recently separated, unable to work, pregnant and (with) two dependent children. My electricity may be disconnected, (I'm) unable to pay.' – Lisa, 21, Karingal

'Electricity is expensive.' – Joe, 46, East Bentleigh

2. Telephone - 10 per cent

Nearly 10 per cent of respondents reported that high telephone costs had caused them financial stress, although respondents were not asked to specify whether these costs related to landline and/or mobile phones. While the telephone is not always regarded as an essential utility, having the telephone connected is a necessity for many reasons: to keep in touch with friends and family, to look for work, in case of an emergency and, as the comment below indicates, to receive adequate medical attention.

'Snowed under with bills. Having contact (with) doctor is limited because of phone bill.' – David, 51, Korong Vale

3. Petrol - 10 per cent

Nearly 10 per cent of respondents identified that the cost of petrol was a factor in their financial hardship. As discussed in Chapter 2, the cost of petrol has increased markedly over the last five years, particularly affecting people living in the outer metropolitan suburbs of Melbourne and in rural and regional Victoria, areas which are poorly serviced by public transport. As the regional analysis of the survey findings in Chapter 6 shows, petrol was rated as the greatest cost pressure in rural Victoria, while inner Melbourne was the only region in which petrol was not rated as a cost pressure by a high proportion of respondents.

As the comments below illustrate, petrol is an essential expense for people in many parts of the state: to get to work, to attend medical and other appointments, and to see family. In addition, as one respondent noted, the inability to afford car maintenance made her car less petrol efficient and therefore meant that she used more petrol.

'Fuel to get to Melbourne to pick up my two sons I have on access fortnightly.' – John, 47, Alexandra

'Petrol to seek medical assistance, (without it I) would not have been able to seek medical treatment.' – Bernard, 42, Clunes

'Extra petrol to go to doctors and specialists appointments.'
– Louise, 37, Coatesville

'My car needs a service and is chewing the petrol.'

– Amara, 27, Hoppers Crossing

'Petrol (is) costing me around \$200 per week.' – Pam, 39, Romsey

'Mainly petrol leaves us short.' – Janelle, 39, Watsonia

4. Food - 9 per cent

Nearly 9 per cent of respondents identified food as a cost pressure in its own right. This sits alongside the finding discussed above that low income households seek assistance with food as a result of needing to prioritise other expenses. This result is not surprising, given the increases over recent years in the costs of food, particularly fresh food, as discussed in Chapter 2. The following comments provide an indication of the kinds of food unaffordable to people on a limited budget.

Several people noted that the cost of healthy food is prohibitive, while others noted problems in meeting the costs of their own, or their children's, special food needs

'Being on the disability pension, money doesn't go far. The cost of food especially fresh fruit, vegies and meat are very expensive and only seem to be getting dearer.' – Frances, 43, Mont Albert

'Fruit and veggies costs have increased.' – Emily, 42, Albert Park

'Food has doubled in price.' – Ruth, 68, Rosebud West

'After bills, there is very little money for food, so you don't eat very healthy.' – Marissa, 34, At Albans

'No meat.' – Carla, 42, Yarrunga

'Unfortunately prescriptions and costs of living and special diet mean it is quite often impossible to get through.' – Barbara, 57, Essendon

'Can't afford to buy food, son has special food need.'

– Liz, 44, Wangaratta

'Son and friends eating me out of house and home.'

– Suzanne, 37, Murrumbeena

5. Rent - 8 per cent

Forty-three per cent of survey respondents indicated that they were living in private rental housing. A number of respondents indicated that the proportion of income they pay in rent was far in excess of the 30 per cent of income accepted as an affordable level of expenditure on housing.

As discussed in Chapter 2, housing affordability has worsened over recent years, making life particularly difficult for low income rental households. With long waiting lists for public and social housing in many parts of Victoria, many people on low

incomes have no choice but to continue to pay high rents.

Given this, it is surprising that rent was not identified by more respondents as a significant cost pressure. One explanation for this that was offered by an agency consulted on the research findings is that people receiving Centrelink benefits often pay their rent through Centrepay, a direct bill-paying facility that deducts regular amounts from recipients' Centrelink payments. This may lessen the immediate impact of rent payments on household budgets, whereas households may be less likely to use Centrepay for other bills whose amounts fluctuate, such as gas and electricity.

'In arrears with rent, so budget always very tight.'

– Dean, 37, Thornbury

'With the rent increases it is very hard to manage.'

– Wendy, 53, Rosebud

'It's just hard to live paying private rent...'- Marcia, 63, Fountain Gate

'Paid rent in advance. No money left.' – Mohammed, 34, Frankston

'(I'm) finding it hard because of rent increase.' – Eva, 49, Springvale

'Rent always increases.' – Leanne, 50, Elwood

'I pay private rent and it's near impossible.' – Sean, 30, Fairfield

6. Prescriptions - 7 per cent

Just over 7 per cent of respondents identified that the cost of medications caused them financial difficulty. This is perhaps not surprising given the high proportion of respondents receiving the Disability Support Pension (DSP), many of whom have high medical expenses. While DSP recipients receive the Pharmaceutical Allowance, and receive prescriptions at a concession rate with a Health Care Card, multiple medications still constitute a considerable financial burden. In addition, emergency relief service providers note that in recent years, many hospitals have stopped providing medication to patients on release, giving them a script instead, and also note that changes to the Pharmaceutical Benefits Scheme mean that a number of prescription medications have become more expensive.

'Medication (price) rise – my wife and I are on 13 medications between us – depression, blood pressure, diabetes, cholesterol, nerves, panic attacks, sleeping pills, glucosamine, pain relief...'

– Alan, 56, Glen Huntly

'Can't afford to pay (for) medicine to have a normal life. Have frequent headaches and find it hard to purchase medication.'

– Belinda, 48, Seddon

'Medication very expensive, can hardly afford it.'

– Christine, 56, Port Melbourne

'No meds. Now finished my bottle of Glucosamine, can't afford \$8.70 for new bottle...made significant difference to reducing my pain and (to) my mobility.' – Rowena, 60, Noble Park

7. Water - 7 per cent

Nearly 7 per cent of respondents noted that water had contributed to their financial stress in the months prior to completing the survey. Emergency relief service providers observe that for many in drought-affected areas dependent on non-mains water, the cost of carting water to fill up tanks is prohibitively expensive. While the State Government provides a non-mains water concession it does not account for the fees of private water cartage companies, which can be significant.

Although water bills were not as significant a cost to emergency relief recipients as other utility bills, a number of respondents noted that bills tend to come all at once, as noted in the comments below. While not specifically in relation to water bills, these comments illustrate that it can be the cumulative effect of these expenses that is problematic.

'Gas and water and electricity bills all came at once.'

– Renee, 19, Maffra

'Many bills come in same time. Glad there was assistance to help.'

– Eve, 40, Taylors Lakes

'Bills increases, rent all came at once and you have to pay everything off the best you can.' – Paula, 39, Braybrook

8. Car maintenance - 7 per cent

Car maintenance was a factor contributing significantly to nearly 7 per cent of respondents' need for emergency relief assistance. That many respondents commented specifically about the cost of car registration, particularly in the third survey period in early 2008, suggests that a number of people would have included car registration in the car maintenance category.

Cars are essential in many parts of Melbourne and in rural and regional Victoria – to get to work, to drop off and pick up children, and to access basic services in many areas. Both registering and repairing a car can cost several hundred dollars, which is a significant amount to someone on a low income. Despite this, financial assistance is generally not available for car-related expenses.

'Car repairs have sent me broke.' – Madeleine, 60, Narre Warren

'Have no money due to having my car fixed (\$600).'

– Jonathan, 42, Watsonia

'Tyres for car, rego for car, brakes all needed.' – Sarah, 36, Boronia

'Car registration too high.' – Kamal, 65, Noble Park

9. Public transport - 6 per cent

Just under 6 per cent of respondents identified that public transport costs constituted a specific cost pressure. As the regional breakdown of the findings in Chapter 6 shows, the majority of these people were in inner Melbourne. The comments below indicate that some respondents rely on taxis for regular transport, both due to a lack of alternative transport and because of illness or disability. For some, this would constitute a significant cost burden. The Multi-Purpose Taxi Program provides half price taxi fares for Victorians with permanent or severe disabilities up to \$60 per trip. However, the program excludes people who are temporarily disabled and the frail aged, and also does not take into account whether people have access to public transport.⁹⁴

'Just got part time job, need ticket to get to Werribee.'

– Chandra, 50, St Albans

'I have no transport and have to spend \$35 every week for taxi fares home.' – John, 40, Huon Creek

'No money left for food or bills due to illness, taxi fares to train station – too ill to walk.' – Brenda, 37, Bayswater

10. Doctor/hospital costs - 5 per cent

The high proportion of survey respondents receiving the Disability Support Pension makes the finding that a number of respondents cited doctor or hospital costs as significant expenses unsurprising. It is evident from respondents' comments that a number of people responding to the survey had a chronic illness, identifying that they needed treatments such as chemotherapy. As well as being expensive, the need for – and side effects of – such treatments would make people extremely vulnerable in many ways.

Respondents also identified dental and optical expenses as prohibitive in the comments section of the survey, despite that these were not specifically listed. As discussed in Chapter 2, dental care is not currently covered by Medicare in Australia, and there are long waiting lists for public dental treatment in most areas in Victoria.

'Will need to go to Traralgon for chemotherapy on a daily basis for treatment.' – Alberta, 63, Wonthaggi

'Hospitalised for a month. Have a chronic illness.' – Cory, 24, Horsham

'Am on chemotherapy in vital month so things have become a little harder.' – Stephen, 49, Northcote

'Having chronic fatigue costs a lot of money for natural therapies every fortnight.' – Michelle, 42, Fitzroy

'Medical costs should be free for Health Care Card and Pensioner Concession Card holders, also dental should be covered.'
– Priya, 28, Ringwood East

'Can't afford to pay for glasses – school says child must have them now.' – Jackie, 36, Terang

'Paying off prescribed glasses. Taking son to specialist appointment for hernia.' – Louise, 27, Hallam

'I really need some teeth.' – Bruce, 58, Swan Hill

Two other key costs were identified as contributing to respondents' need to seek emergency relief: school costs, and costs resulting from domestic violence. While these two costs were not identified by enough respondents to be statistically significant, the frequency and detail of respondents' comments on their impacts warrants further exploration.

Three per cent of respondents identified school costs as contributing to their need to seek emergency relief. The impact of school costs varies over time: they were identified as most problematic in the third survey period at the start of 2008. School costs are discussed in the next chapter which explores demand for emergency relief over time and location.

Around 1 percent of respondents identified domestic violence as causing or contributing to their need to seek emergency relief. Although representing a small proportion of all respondents, the comments of emergency relief recipients who experienced violence from a partner or ex-partner are notable as they indicate the depth and breadth of the impact this can have on a person, from having to repair a car to needing to rebuild a life.

'Ex husband damaged my car and having to pay to repair that has left me no money left of my Centrelink payment this week.'
– Brenda, 37, Sale

'Ex caused damage to car and house and kids' emotional status again.' – June, 38, Eaglehawk

'Going to court, was in a domestic violence situation, have left and am moving on.' – Ilana, 36, Narre Warren

'Food and housing due to unforeseen issues due to domestic violence.'
– Mila, 27, Derrimut

'From experiencing domestic violence for 13 years I have to start from scratch all over again to build up my self-esteem, confidence and start a new life for myself.' – Valerie, 53, Flemington

Conclusion

The findings presented in this chapter detailed both the immediate reasons why respondents sought emergency relief on the day they completed the survey and the underlying reasons for their financial hardship. The two most common reasons for respondents seeking emergency relief were food and money. Respondents described issues with Centrelink payments, including payment suspensions, debt, and costs related to an emergency as contributing to their immediate financial hardship.

The costs of living most frequently identified by emergency relief recipients as causing them financial difficulty largely supported the expectations of the research. Most of the costs outlined in Chapter 2 that were anticipated would affect low-income households are reflected in the findings – these being rent, petrol, utilities, food and health costs. There were however some unexpected variations. Housing costs were not identified as having as great an impact as may have been expected, and although petrol had been predicted as a significant cost, car registration and repairs had not been anticipated as significant in the research design. Children's school costs also did not rank highly as a cost pressure overall, although school costs were strongly identified by respondents in the third survey period at the beginning of 2008. Both the financial and emotional costs of domestic violence were reflected in respondents' comments about why they were seeking emergency relief.

The following chapter analyses these findings over different locations and over time.

Chapter 6: The findings - demand for emergency relief in Victoria by location and over time

This chapter analyses the survey findings over the different regions in Victoria in which surveys were collected, and over the three time periods in which the surveys were conducted. As discussed in Chapter 3, one of the objectives of the research was to investigate whether trends in the demand for emergency relief were evident along regional lines and whether the cost pressures experienced by emergency relief recipients varied according to the time of the year. In addition, the researchers also sought to investigate whether the anticipated policy impacts of the Federal WorkChoices and Welfare to Work were evident in demand for emergency relief assistance.

Demand for emergency relief over five regions

In this section, the survey findings are grouped by area to enable some comparisons between the data from different regions of Victoria. As discussed in Chapter 3, the agencies that participated in the survey were grouped by the local government area (LGA) in which they were located. The LGAs were then grouped into five regional divisions: inner Melbourne, middle Melbourne, Melbourne fringe, regional Victoria (defined as large rural cities and regional centres) and rural Victoria (defined as rural shires). These divisions were based on those used by the Victorian Department of Planning and Community Development.

Table 6.1 below shows the LGAs in each region and the proportion of total survey responses received from each region. It shows that the sample sizes in each region vary. Eight per cent of all responses came from regional Victoria for example, compared to 25 per cent from metropolitan Melbourne, although the same number of agencies was involved in survey collection in both regions.

Table 6.1 Regional groupings of agencies and proportion of responses (%)

| Regions | Number of agencies in region | LGAs represented in this region | Proportion of total survey responses |
|-------------------|------------------------------|--|--------------------------------------|
| Inner Melbourne | 6 | Boroondara, Darebin, Glen Eira, Maribyrnong, Moonee Valley, Port Phillip | 25 |
| Middle Melbourne | 4 | Brimbank, Maroondah, Greater Dandenong, Knox | 16 |
| Melbourne fringe | 9 | Cardinia, Casey, Frankston, Hume, Melton, Mornington Peninsula, Nillumbik, Wyndham | 25 |
| Regional Victoria | 10 | Greater Bendigo, Greater Geelong, Greater Shepparton, Horsham, Latrobe, Mildura, Swan Hill, Wangaratta, Warrnambool, Wodonga | 26 |
| Rural Victoria | 6 | Bass Coast, Glenelg, Hepburn, Murrindindi, Wellington | 8 |

As discussed in Chapter 2, the findings were analysed by region as the researchers anticipated that particular trends in the demand for emergency relief may be evident along regional lines. There are some limitations to analysing the findings according to regional breakdown. Many agencies provide emergency relief assistance to people living outside their LGA boundaries. For example, some agencies in inner Melbourne noted that they assist a high proportion of homeless or transient people, whilst some agencies in the north west of Victoria assist people from across the New South Wales and South Australian borders. Secondly, and this is particularly true of the regional Victoria classification, while the main city in a large LGA such as Mildura is a regional centre, much of the rest of the LGA is rural. Many survey responses collected from Mildura LGA would not have come from people living within the boundaries of Mildura city, although they are considered regional responses for the purpose of this analysis.

Bearing these limitations in mind, this chapter provides an indication of what the different trends in the demand for emergency relief may be in these regions and allow a very basic comparison between them. As a different number of surveys were received in each region, the data in the tables in this section have been calculated as percentages of the number of responses received *within each region*, rather than the total number of responses received overall. This enables comparison of the findings both within and between regions.

Age and gender of respondents by location

Table 6.2 and figure 6.1 shows the age of respondents over the five regions. The overall survey data shows that the majority of all respondents were aged between 25 and 49. As figure 6.1 shows, there was some variation in the ages of emergency relief recipients

Table 6.2 Age of respondents (years) by region

| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Reg. Victoria (no.) | Reg. Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|----------------|-------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|---------------------------|-------------------------|----------------------------|--------------------------|
| Missing | 17 | 3 | 10 | 2.8 | 15 | 2.6 | 12 | 2.1 | 2 | 1.2 |
| <19 | 11 | 1.9 | 14 | 3.9 | 30 | 5.2 | 28 | 4.8 | 10 | 5.8 |
| 20-24 | 43 | 7.5 | 32 | 8.8 | 54 | 9.4 | 59 | 10.1 | 22 | 12.7 |
| 25-29 | 70 | 12.2 | 55 | 15.2 | 88 | 15.4 | 66 | 11.3 | 18 | 10.4 |
| 30-34 | 83 | 14.4 | 64 | 17.7 | 108 | 18.8 | 92 | 15.7 | 24 | 13.9 |
| 35-39 | 89 | 15.5 | 58 | 16 | 92 | 16.1 | 119 | 20.3 | 23 | 13.3 |
| 40-44 | 75 | 13 | 45 | 12.4 | 62 | 10.8 | 70 | 12 | 17 | 9.8 |
| 45-49 | 67 | 11.6 | 33 | 9.1 | 57 | 9.9 | 61 | 10.4 | 17 | 9.8 |
| 50-54 | 44 | 7.6 | 16 | 4.4 | 28 | 4.9 | 30 | 5.1 | 13 | 7.5 |
| 55-59 | 30 | 5.2 | 16 | 4.4 | 14 | 2.4 | 26 | 4.4 | 9 | 5.2 |
| 60-64 | 23 | 4 | 14 | 3.9 | 14 | 2.4 | 11 | 1.9 | 11 | 6.4 |
| 65 + | 24 | 4.2 | 5 | 1.4 | 11 | 1.9 | 11 | 1.9 | 7 | 4 |
| TOTAL | 576 | 100 | 362 | 100 | 573 | 100 | 585 | 100 | 173 | 100 |

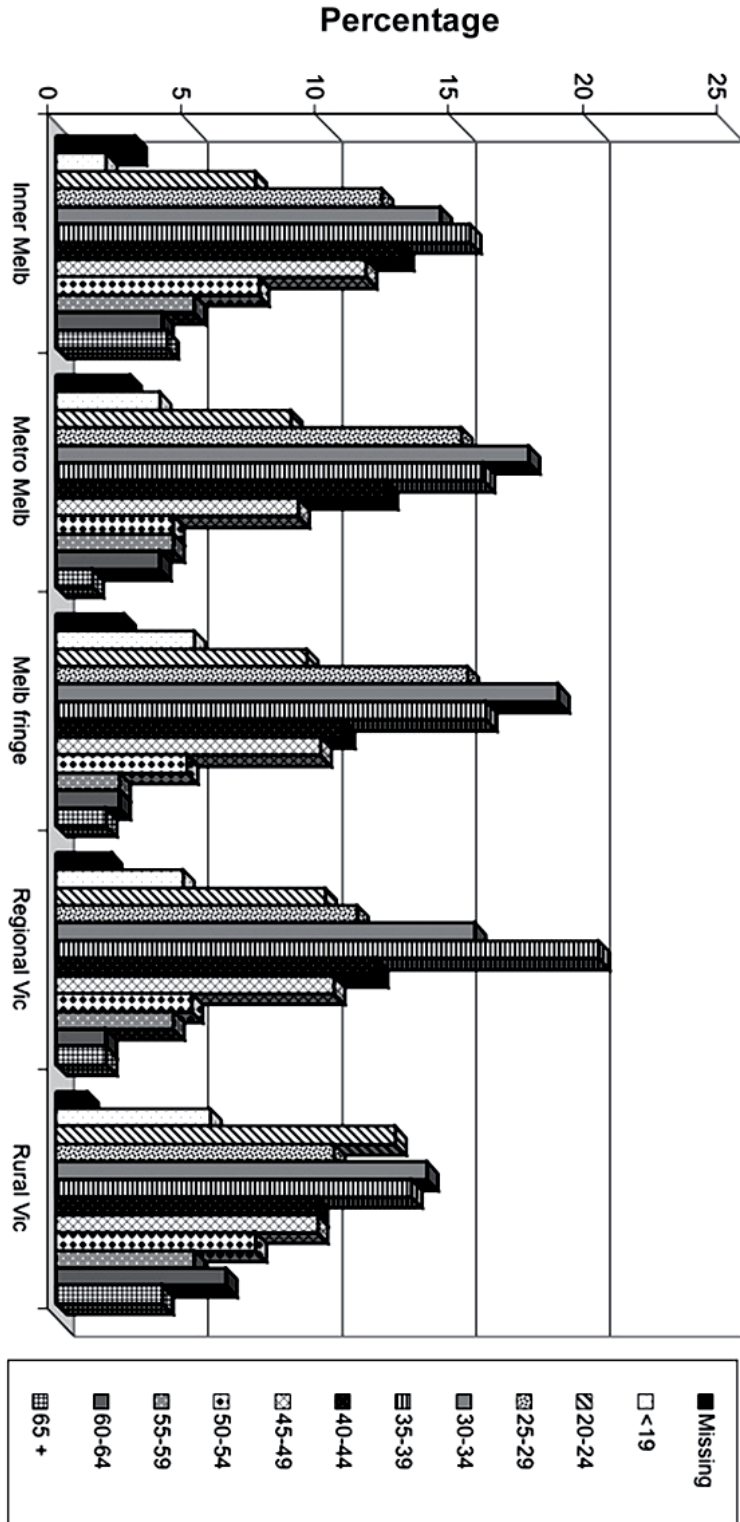


Figure 6.1 Age of respondents by region

responding to the survey in different regions. The greatest proportion of respondents in both metropolitan Melbourne and Melbourne fringe regions were aged between 30 and 34, while in regional Victoria the largest proportion of respondents were aged between 35 and 39. Both inner Melbourne and rural Victoria had a greater proportion of respondents aged over 55 than the other regions.

The high representation of people in their thirties seeking emergency relief in metropolitan Melbourne, Melbourne fringe suburbs and in regional Victoria suggests that, while housing and facilities in these areas are often marketed to young families, the costs of living are not manageable for many in this age bracket. It is notable that, as the analysis of respondents' households by region later in this section shows, the greatest proportion of households in these three regions are sole parent households.

Inner Melbourne had a significant proportion of respondents aged over 55. This reinforces anecdotal evidence from emergency relief agencies in inner Melbourne that much of their demand comes from older people. Rural Victoria also had a high proportion of respondents aged over 55. Some of the cost pressures older people in rural Victoria face are linked to a lack of infrastructure including public transport, hospitals and other medical facilities. A number of older respondents who commented that they needed to travel to regional centres for hospital or specialist treatment lived in rural areas.

Table 6.3 and figure 6.2 show the gender of respondents over the different regions. As figure 6.2 shows, while the number of women seeking emergency relief who responded to the survey was greater than the number of men overall, the proportion of women seeking emergency relief assistance was highest in Melbourne fringe suburbs.

Conversely, inner Melbourne was the only region in which the proportion of men seeking assistance was greater than the proportion of women.

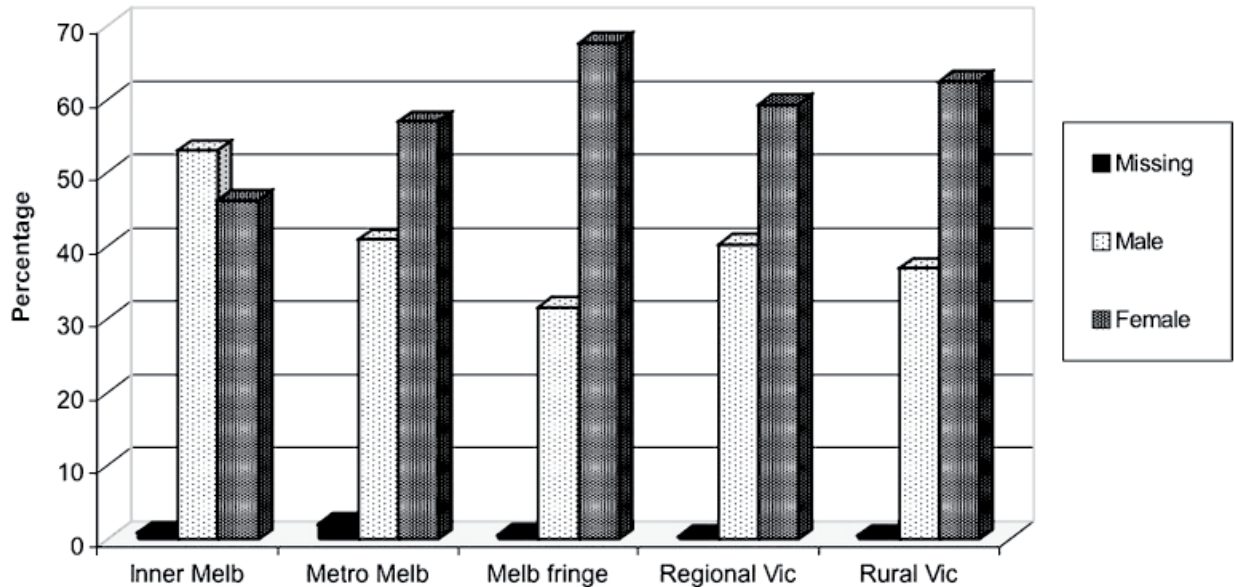
Table 6.3 Gender of respondents by region

| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Reg. Victoria (no.) | Reg. Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|----------------|-------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|---------------------------|-------------------------|----------------------------|--------------------------|
| Missing | 5 | 0.9 | 8 | 2.2 | 4 | 0.7 | 3 | 0.5 | 1 | 0.6 |
| Male | 305 | 53 | 148 | 40.9 | 181 | 31.6 | 235 | 40.2 | 64 | 37 |
| Female | 266 | 46.2 | 206 | 56.9 | 388 | 67.7 | 347 | 59.3 | 108 | 62.4 |
| TOTAL | 576 | 100 | 362 | 100 | 573 | 100 | 585 | 100 | 173 | 100 |

These trends are probably closely linked to the regional distribution of different types of households discussed below. The data discussed previously indicates that more male than female respondents lived alone. Additionally, a greater proportion of people living alone were in inner Melbourne than in other regions, as discussed below. From these findings it could be concluded that emergency relief recipients in inner Melbourne are most commonly men living alone. Similarly, the data shows that Melbourne fringe suburbs had a greater proportion of sole parent households responding to the survey than other areas. The data also shows that the majority of sole parents were women.

These findings lead to the conclusion that the greatest demand for emergency relief in fringe areas comes from sole parent households headed by women.

Figure 6.2 Gender of respondents by region



Household composition by location

Table 6.4 and figure 6.3 show the households of respondents over the different regions. As discussed above, inner Melbourne had the greatest proportion of respondents living alone, while the greatest proportion of sole parent respondents were in Melbourne's fringe suburbs. It is also of note that both middle Melbourne and regional Victoria had high proportions of sole parents – over a third of all respondents in both areas.

There are several likely reasons for these findings. Affordable housing is most limited in the inner suburbs of Melbourne. It is well recognised that single people on Centrelink payments in inner Melbourne, particularly the low rate of Newstart Allowance, struggle with rent and other living costs. Also, as figure 6.3 shows, a high proportion of people seeking assistance in inner Melbourne were homeless, living in transitional housing or marginal accommodation such as rooming houses, which have historically been located in the inner city. Many, though not all of these respondents, would have identified themselves in the survey as living alone, although some people in transitional housing or rooming houses may also have identified that they were living in a share house. This may account for the high proportion of people in share houses in the inner suburbs.

Figure 6.3 Respondents' households by region

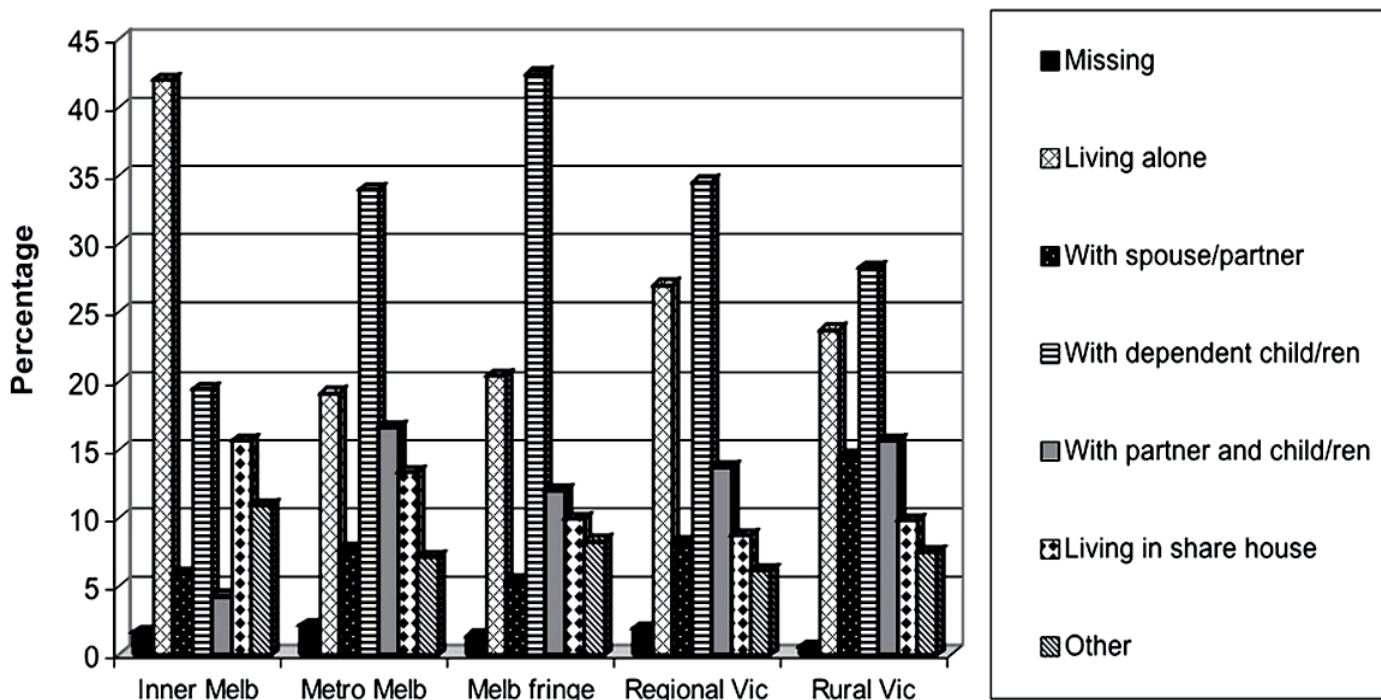


Table 6.4 Respondents' households by region

| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Reg. Victoria (no.) | Reg. Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|--|-------------------|-----------------|--------------------|------------------|--------------------|------------------|---------------------|-------------------|----------------------|--------------------|
| Missing | 10 | 1.7 | 8 | 2.2 | 8 | 1.4 | 11 | 1.9 | 1 | .6 |
| Living alone | 242 | 42.0 | 69 | 19.1 | 117 | 20.4 | 158 | 27 | 41 | 23.7 |
| Living with a spouse/partner | 34 | 5.9 | 28 | 7.7 | 31 | 5.4 | 48 | 8.2 | 25 | 14.5 |
| Living with dependent child/ren (without spouse/partner) | 112 | 19.4 | 123 | 34 | 243 | 42.4 | 202 | 34.5 | 49 | 28.3 |
| Living with spouse/partner and child/ren | 25 | 4.3 | 60 | 16.6 | 69 | 12 | 80 | 13.7 | 27 | 15.6 |
| Living in share house | 90 | 15.6 | 48 | 13.3 | 57 | 9.9 | 51 | 8.7 | 17 | 9.8 |
| Other | 63 | 10.9 | 3 | 7.2 | 48 | 8.3 | 4 | 6.2 | 13 | 7.5 |
| TOTAL | 576 | 100 | 362 | 100 | 573 | 100 | 585 | 100 | 173 | 100 |

Figure 6.3 shows that sole parent households were primarily located in middle and outer Melbourne and regional Victoria. Two-parent households were also well-represented in these areas. As one agency worker commented in relation to these findings:

*'The costs of running a young family in the growth corridor area are going to be different to a single adult or two adult household in the inner city area. For example fuel (costs were) higher amongst rural and fringe dwellers, they do not have accessible public transport and need cars to get around and drive longer distances.'*⁹⁵

Figure 6.3 demonstrates that rural Victoria had by far the greatest proportion of couple households in financial stress who responded to the survey compared to other areas.

Housing by location

Table 6.5 and figure 6.4 below show some interesting trends in the housing of emergency relief recipients across the different regions. The fringe suburbs of Melbourne had the highest proportion of respondents in private rental households, suggesting that rental housing costs contribute to the financial hardship of many respondents in this region. Melbourne fringe suburbs also had the lowest proportion of respondents in public housing, while the greatest proportion of respondents living in public housing was in regional Victoria.

Table 6.5 Respondents' housing by region

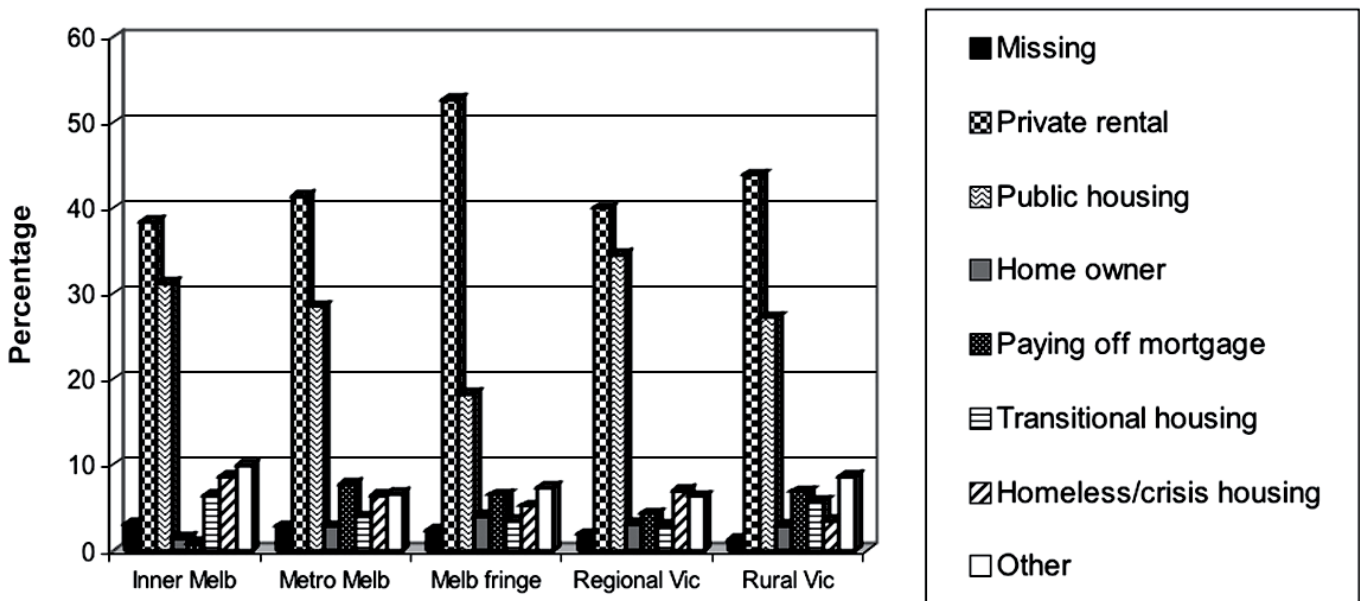
| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Regional Victoria (no.) | Regional Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|--|-------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------------|-----------------------------|----------------------------|--------------------------|
| Missing | 18 | 3.1 | 10 | 2.8 | 14 | 2.4 | 11 | 1.9 | 2 | 1.2 |
| Private rental | 221 | 38.4 | 150 | 41.4 | 302 | 52.7 | 234 | 40.0 | 76 | 43.9 |
| Public housing | 180 | 31.2 | 103 | 28.5 | 105 | 18.3 | 202 | 34.5 | 47 | 27.2 |
| Home owner | 8 | 1.4 | 10 | 2.8 | 23 | 4.0 | 18 | 3.1 | 5 | 2.9 |
| Paying off mortgage | 5 | 0.9 | 28 | 7.7 | 37 | 6.5 | 25 | 4.3 | 12 | 6.9 |
| Transitional housing | 37 | 6.4 | 14 | 3.9 | 20 | 3.5 | 17 | 2.9 | 10 | 5.8 |
| Homeless/ in crisis housing | 50 | 8.7 | 23 | 6.4 | 30 | 5.2 | 41 | 7.0 | 6 | 3.5 |
| Other* | 57 | 9.9 | 24 | 6.6 | 42 | 7.3 | 37 | 6.3 | 15 | 8.7 |
| TOTAL | 576 | 100 | 362 | 100 | 573 | 100 | 585 | 100 | 173 | 100 |

* Includes caravan parks and rooming houses

Rural and regional Victoria had a high proportion both of respondents living in private rental and those who identified they were homeless. Agency workers commenting on these findings noted that they support their own experiences. One worker from an agency in north west Victoria said that the homeless outreach worker at her service has tents in the boot of her car, as caravan parks are no longer a low-cost crisis accommodation option in their area as land value has increased significantly. She observed that many of the people they assist have come to rural Victoria from Melbourne in search of work or cheaper housing but end up sleeping at train stations and on the river bank.⁹⁶

Over 10 per cent of emergency relief recipients in both the middle and fringe suburbs of Melbourne, and just under 10 percent in rural and regional Victoria, were either paying off a mortgage or owned their homes outright. This may represent the emerging population of people seeking assistance described by emergency relief workers elsewhere in this report: people struggling to deal with unsolicited credit, mortgages and other forms of debt, and those who could be considered ‘asset rich but income-poor’.

Figure 6.4 Respondents’ housing by region



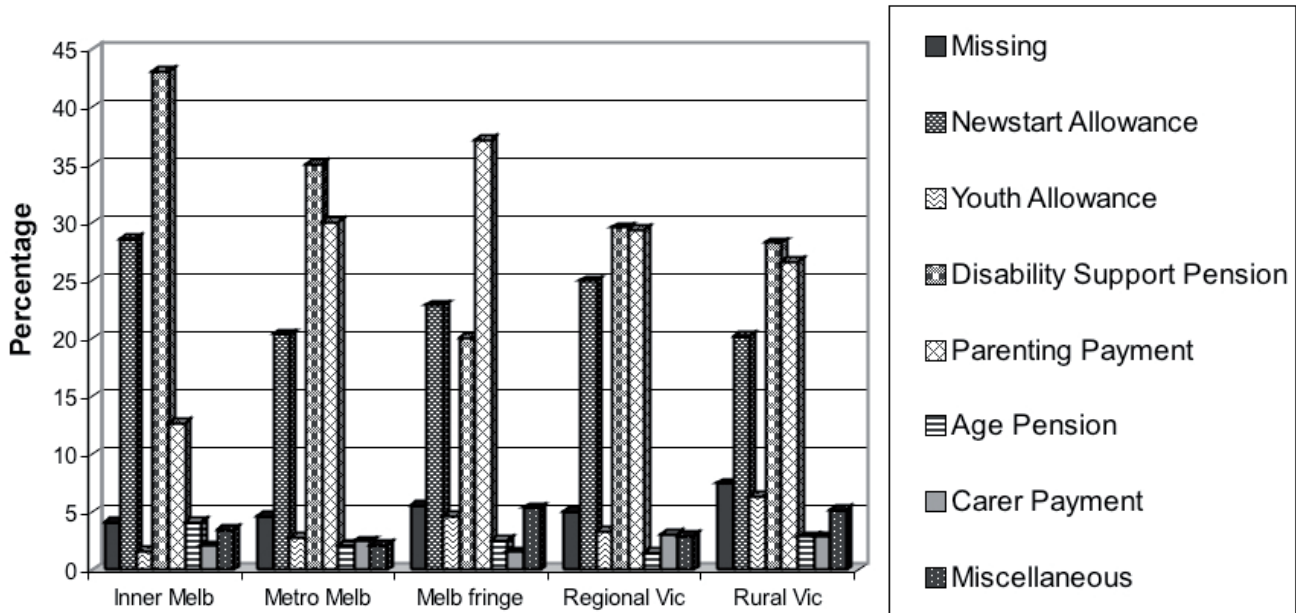
Centrelink payments by location

As discussed earlier in this report, nearly 95 per cent of all respondents to the survey indicated that they received some type of social security payment from Centrelink. As table 6.6 and figure 6.5 show, those not receiving any kind of Centrelink payment are relatively evenly distributed across the regions, with the highest proportion in regional Victoria. Of those receiving Centrelink payments, inner Melbourne had the greatest proportion of both Newstart Allowance and Disability Support Pension (DSP) recipients. A relatively high proportion of those receiving the DSP were in middle Melbourne and rural and regional Victoria.

Table 6.6 Centrelink payments received by respondents by region

| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Regional Victoria (no.) | Regional Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|--|-------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------------|-----------------------------|----------------------------|--------------------------|
| Missing | 24 | 4.2 | 17 | 4.7 | 32 | 5.6 | 30 | 5.1 | 13 | 7.5 |
| Newstart Allowance | 165 | 28.6 | 74 | 20.4 | 131 | 22.9 | 146 | 25 | 35 | 20.2 |
| Youth Allowance | 10 | 1.7 | 10 | 2.8 | 27 | 4.7 | 20 | 3.4 | 11 | 6.4 |
| Disability Support Pension | 248 | 43.1 | 127 | 35.1 | 115 | 20.1 | 173 | 29.6 | 49 | 28.3 |
| Parenting Payment | 73 | 12.7 | 109 | 30.1 | 213 | 37.2 | 172 | 29.4 | 46 | 26.6 |
| Age Pension | 24 | 4.2 | 8 | 2.2 | 15 | 2.6 | 9 | 1.5 | 5 | 2.9 |
| Carer Payment | 12 | 2.1 | 9 | 2.5 | 9 | 1.6 | 18 | 3.1 | 5 | 2.9 |
| Miscellaneous | | | | | | | | | | |
| Austudy | 3 | 0.5 | 0 | 0 | 0 | 0 | 1 | 0.2 | 1 | 0.6 |
| Crisis Payment | 1 | 0.2 | 0 | 0 | 0 | 0 | 1 | 0.2 | 0 | 0 |
| Mobility Allowance | 0 | 0 | 1 | 0.3 | 0 | 0 | 1 | 0.2 | 0 | 0 |
| Exceptional Circumstances Payment | 3 | 0.5 | 0 | 0 | 0 | 0 | 1 | 0.2 | 0 | 0 |
| Other | 13 | 2.3 | 7 | 1.9 | 31 | 5.4 | 13 | 2.2 | 8 | 4.6 |
| (Total Misc.) | 20 | 3.5 | 8 | 2.2 | 31 | 5.4 | 17 | 3 | 9 | 5.2 |
| TOTAL | 576 | 100 | 362 | 100 | 573 | 100 | 585 | 100 | 173 | 100 |

Figure 6.5 Centrelink payments received by respondents by region



Agencies commenting on these findings noted the high proportion of respondents who were both Newstart recipients and homeless in the inner city. A worker from an agency in the inner south commented that from their experience, a large number of these people would be transient from other parts of the state or from interstate, having moved to the city in search of work or services. In relation to people with a disability in rural and regional areas, another worker from a service in regional Victoria commented that she knew of many people who had received a payout upon acquiring a disability and bought a property in the country suitable to their needs, who were managing financially until the cost of petrol began to increase. She also noted that the high number of people on Newstart Allowance in rural and regional areas was largely due to the drought. Many of these people would have been affected by the shortage of work but would have been ineligible for Exceptional Circumstances (drought relief) payments.

Although the number of age pensioners overall was low, the greatest proportion of Age Pension recipients was in inner Melbourne. This did not surprise service providers in that area, who noted that a significant proportion of their demand for assistance comes from older people.

Main reason for seeking emergency relief by location

Table 6.7 and figure 6.6 show the main reason survey respondents identified for seeking assistance on the day they completed the survey, analysed by region. As discussed previously, these responses can be understood as the kinds of assistance people were primarily seeking from the agency on that day. Overall, the most common reasons respondents gave for seeking emergency relief assistance was that they had

run out of food or money.

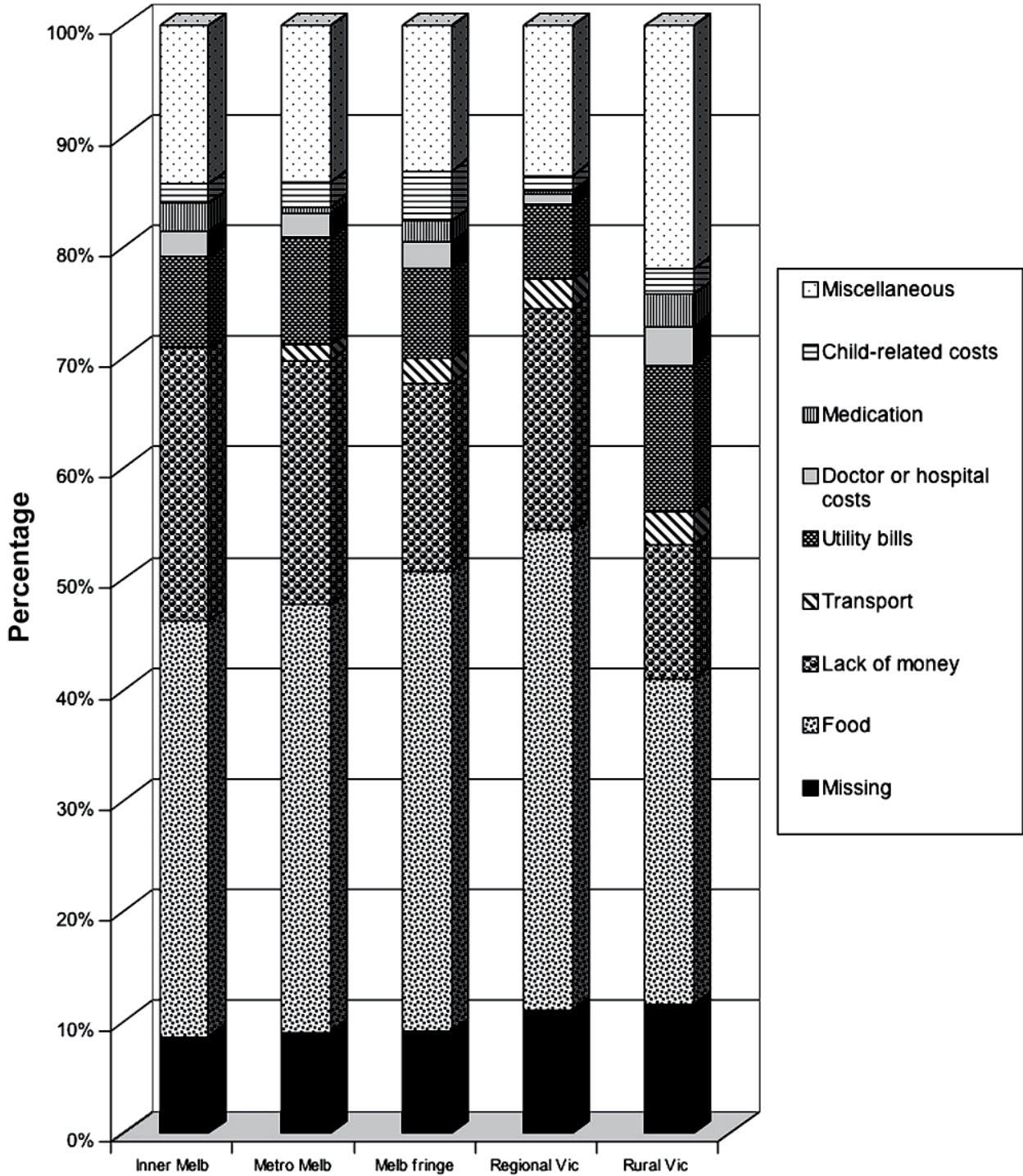
As figure 6.6 shows, regional Victoria had the highest proportion of emergency relief recipients whose main reason for seeking assistance was a lack of food. The greatest proportion of those citing lack of money as their main reason for seeking assistance were in inner Melbourne. There does not appear to be a particularly strong correlation between those who identified lack of food or money as their main reason for seeking assistance and the region they were in. It is interesting to note however that a significantly greater proportion of respondents in regional Victoria than in any other region identified that their main reason for seeking assistance was utility costs.

Table 6.7 Respondents' main reason for seeking emergency relief by region

| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Regional Victoria (no.) | Regional Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|---|-------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------------|-----------------------------|----------------------------|--------------------------|
| Missing | 50 | 8.7 | 33 | 9.1 | 52 | 9.1 | 65 | 11.1 | 20 | 11.6 |
| Food | 216 | 37.5 | 140 | 38.7 | 238 | 41.5 | 253 | 43.2 | 51 | 29.5 |
| Lack of money | 142 | 24.7 | 80 | 22.1 | 97 | 16.9 | 117 | 20 | 21 | 12.1 |
| Transport | 0 | 0 | 5 | 1.4 | 13 | 2.3 | 15 | 2.6 | 5 | 2.9 |
| Utility bills | 47 | 8.2 | 35 | 9.7 | 46 | 8 | 40 | 6.8 | 23 | 13.3 |
| Doctor/ hospital costs | 13 | 2.3 | 8 | 2.2 | 14 | 2.4 | 5 | 0.9 | 6 | 3.5 |
| Medication | 15 | 2.6 | 2 | 0.6 | 11 | 1.9 | 2 | 0.3 | 5 | 2.9 |
| Child-related costs | 10 | 1.7 | 8 | 2.2 | 26 | 4.5 | 8 | 1.4 | 4 | 2.3 |
| Miscellaneous | | | | | | | | | | |
| Housing costs | 7 | 1.2 | 8 | 2.2 | 4 | 0.7 | 3 | 0.5 | 3 | 1.7 |
| Domestic violence | 4 | 0.7 | 1 | 0.3 | 1 | 0.2 | 1 | 0 | 2 | 1.2 |
| Job loss | 3 | 0.5 | 4 | 1.1 | 2 | 0.3 | 4 | 0.7 | 3 | 1.7 |
| Centrelink payment suspension (‘breach’) | 4 | 0.7 | 4 | 1.1 | 8 | 1.4 | 8 | 1.4 | 2 | 1.2 |
| Other* | 65 | 11.2 | 34 | 9.5 | 61 | 10.5 | 64 | 10.9 | 28 | 16.2 |
| (Total Misc.) | 83 | 14.3 | 51 | 14.2 | 76 | 13.1 | 80 | 13.5 | 38 | 22 |
| TOTAL | 576 | 100 | 362 | 100 | 573 | 100 | 585 | 100 | 173 | 100 |

*Including clothing, fines and repair/replacement of household items

Figure 6.6 Respondents' main reason for seeking emergency relief by region



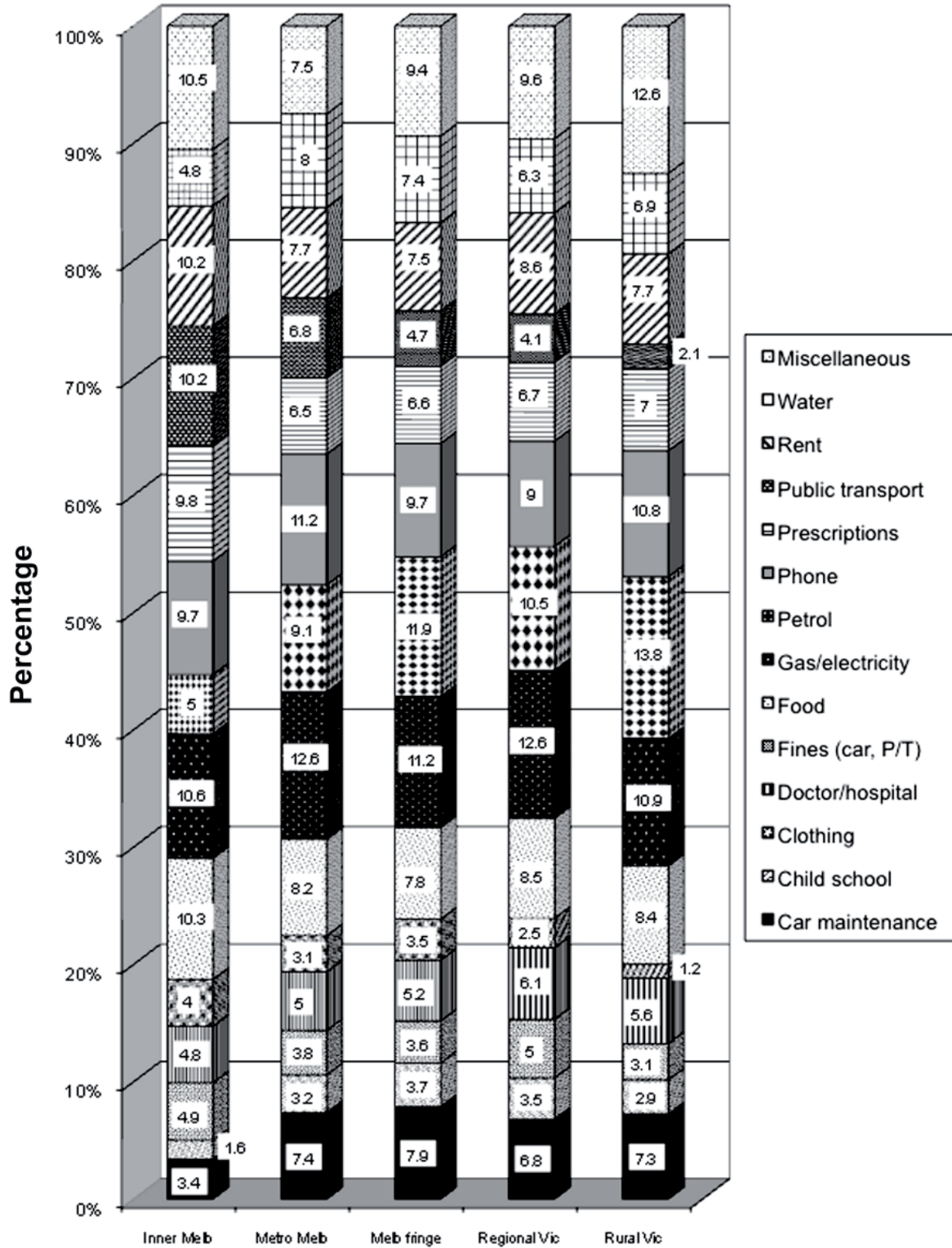
Other costs contributing to financial hardship by location

Table 6.8 and figure 6.7 show the costs of living most commonly identified by respondents as contributing to their financial hardship over different regions.

Table 6.8 Other costs contributing to respondents' financial hardship by region

| | Inner Melb. (no.) | Inner Melb. (%) | Middle Melb. (no.) | Middle Melb. (%) | Melb. fringe (no.) | Melb. fringe (%) | Regional Victoria (no.) | Regional Victoria (%) | Rural Victoria (no.) | Rural Victoria (%) |
|---|-------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------------|-----------------------------|----------------------------|--------------------------|
| Car maintenance | 75 | 3.4 | 127 | 7.4 | 216 | 7.9 | 178 | 6.8 | 56 | 7.3 |
| Child school | 35 | 1.6 | 55 | 3.2 | 102 | 3.7 | 93 | 3.5 | 22 | 2.9 |
| Clothing | 106 | 4.9 | 65 | 3.8 | 97 | 3.6 | 132 | 5.0 | 24 | 3.1 |
| Doctor/hospital | 104 | 4.8 | 85 | 5.0 | 141 | 5.2 | 161 | 6.1 | 43 | 5.6 |
| Fines (car, P/T) | 88 | 4.0 | 53 | 3.1 | 95 | 3.5 | 67 | 2.5 | 9 | 1.2 |
| Food | 224 | 10.3 | 140 | 8.2 | 214 | 7.8 | 224 | 8.5 | 65 | 8.4 |
| Gas/electricity | 231 | 10.6 | 216 | 12.6 | 306 | 11.2 | 332 | 12.6 | 84 | 10.9 |
| Petrol | 108 | 5.0 | 156 | 9.1 | 324 | 11.9 | 276 | 10.5 | 106 | 13.8 |
| Phone | 211 | 9.7 | 191 | 11.2 | 264 | 9.7 | 237 | 9.0 | 83 | 10.8 |
| Prescriptions | 213 | 9.8 | 112 | 6.5 | 180 | 6.6 | 177 | 6.7 | 54 | 7.0 |
| Public transport | 222 | 10.2 | 116 | 6.8 | 128 | 4.7 | 107 | 4.1 | 16 | 2.1 |
| Rent | 222 | 10.2 | 132 | 7.7 | 204 | 7.5 | 226 | 8.6 | 59 | 7.7 |
| Water | 105 | 4.8 | 137 | 8.0 | 202 | 7.4 | 165 | 6.3 | 53 | 6.9 |
| Miscellaneous | | | | | | | | | | |
| Centrelink payment suspension ('breach') | 16 | 0.7 | 6 | 0.4 | 11 | 0.4 | 15 | 0.6 | 6 | 0.8 |
| D/V | 9 | 0.4 | 2 | 0.1 | 14 | 0.5 | 21 | 0.8 | 3 | 0.4 |
| Bond | 12 | 0.6 | 6 | 0.4 | 22 | 0.8 | 17 | 0.6 | 9 | 1.2 |
| Own education | 7 | 0.3 | 2 | 0.1 | 9 | 0.3 | 12 | 0.5 | 1 | 0.1 |
| Other | 88 | 4.0 | 17 | 1.0 | 40 | 1.5 | 61 | 2.3 | 20 | 2.6 |
| Moving house | 4 | 0.2 | 5 | 0.3 | 19 | 0.7 | 16 | 0.6 | 3 | 0.4 |
| Mortgage | 3 | 0.1 | 14 | 0.8 | 21 | 0.8 | 17 | 0.6 | 9 | 1.2 |
| Job loss | 16 | 0.7 | 15 | 0.9 | 25 | 0.9 | 29 | 1.1 | 10 | 1.3 |
| Internet | 38 | 1.7 | 30 | 1.8 | 42 | 1.5 | 25 | 1.0 | 17 | 2.2 |
| Child care | 16 | 0.7 | 20 | 1.2 | 30 | 1.1 | 26 | 1.0 | 9 | 1.2 |
| Dentist | 24 | 1.1 | 9 | 0.5 | 24 | 0.9 | 14 | 0.5 | 9 | 1.2 |
| (Total Misc.) | 233 | 10.5 | 126 | 7.5 | 257 | 9.4 | 253 | 9.6 | 96 | 12.6 |
| TOTAL | 2177 | 100.0 | 1711 | 100.0 | 2730 | 100.0 | 2628 | 100.0 | 770 | 100.0 |

Figure 6.7 Other costs contributing to respondents' financial hardship by region



As figure 6.7 shows, there were some striking differences in the emphasis that respondents in different regions gave to the costs causing them financial hardship. Petrol slightly outstripped gas and electricity costs as the most commonly-identified cost pressure in Melbourne fringe suburbs and clearly exceeded gas and electricity costs in rural Victoria. Car maintenance costs were nominated as significant costs everywhere except in inner Melbourne. In contrast, inner Melbourne had a greater proportion of respondents identifying both public transport and rent as particular cost pressures than other regions.

Water and phone costs were rated as significant by a greater proportion of respondents in middle Melbourne than in other regions. It was interesting to note that, although the proportion of respondents who identified doctor and hospital costs was fairly even across the regions, the proportion of those who said that the cost of prescription medicines caused them particular difficulty was clearly greatest in inner Melbourne.

The next section of this chapter analyses the survey findings over the three survey periods.

Demand for emergency relief over the three survey periods

This section breaks down the data discussed in the previous chapters into the three survey periods in which it was collected: survey period 1 - April-May 2007, survey period 2 - September 2007, and survey period 3 - January-February 2008. It analyses the differences regarding the demographics of those seeking emergency relief at different times of the year, and whether there were trends in the cost pressures experienced by low-income households driving demand for emergency relief at different times of the year.

Approximately the same number of surveys was collected in the first two survey periods during 2007, but fewer surveys were collected in the final survey period at the start of 2008. This is likely due to the start of the year being a time where emergency relief agencies experience particularly high demand for assistance, due to the post-Christmas cost pressures experienced by many households and costs associated with children going back to school. Several agencies noted that, as a result of this demand, they did not have resources to distribute as many surveys to emergency relief recipients during this period.

Age and gender of respondents over time

Figure 6.8 compares the ages of survey respondents over the three survey periods. It shows that the proportion of 45-49 year olds and 55-59 year olds seeking emergency relief assistance increased markedly between the first and last survey periods – between April-May 2007 and January-February 2008 – while the proportion of people aged between 25 and 35 declined markedly over the same period. This represents a real shift over time in the age of people seeking emergency relief, which could be due

to the differing cost pressures experienced by households at different times of the year. It may also be related to the changing economic conditions over the year in which the survey was conducted.

Table 6.9 Age of respondents over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|---------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Missing | 12 | 1.5 | 21 | 2.6 | 23 | 3.5 |
| <19 yrs | 27 | 3.3 | 41 | 5.1 | 25 | 3.8 |
| 20-24 | 71 | 8.7 | 69 | 8.6 | 70 | 10.7 |
| 25-29 | 129 | 15.9 | 98 | 12.2 | 70 | 10.7 |
| 30-34 | 155 | 19.1 | 122 | 15.2 | 94 | 14.4 |
| 35-39 | 131 | 16.1 | 143 | 17.8 | 107 | 16.4 |
| 40-44 | 98 | 12.1 | 82 | 10.2 | 89 | 13.7 |
| 45-49 | 67 | 8.2 | 88 | 10.9 | 80 | 12.3 |
| 50-54 | 47 | 5.8 | 52 | 6.5 | 32 | 4.9 |
| 55-59 | 25 | 3.1 | 36 | 4.5 | 34 | 5.2 |
| 60-64 | 28 | 3.4 | 30 | 3.7 | 15 | 2.3 |
| 65+ | 23 | 2.8 | 22 | 2.7 | 13 | 2 |
| Total | 813 | 100 | 804 | 100 | 652 | 100 |

Figure 6.8 Age of respondents over three survey periods

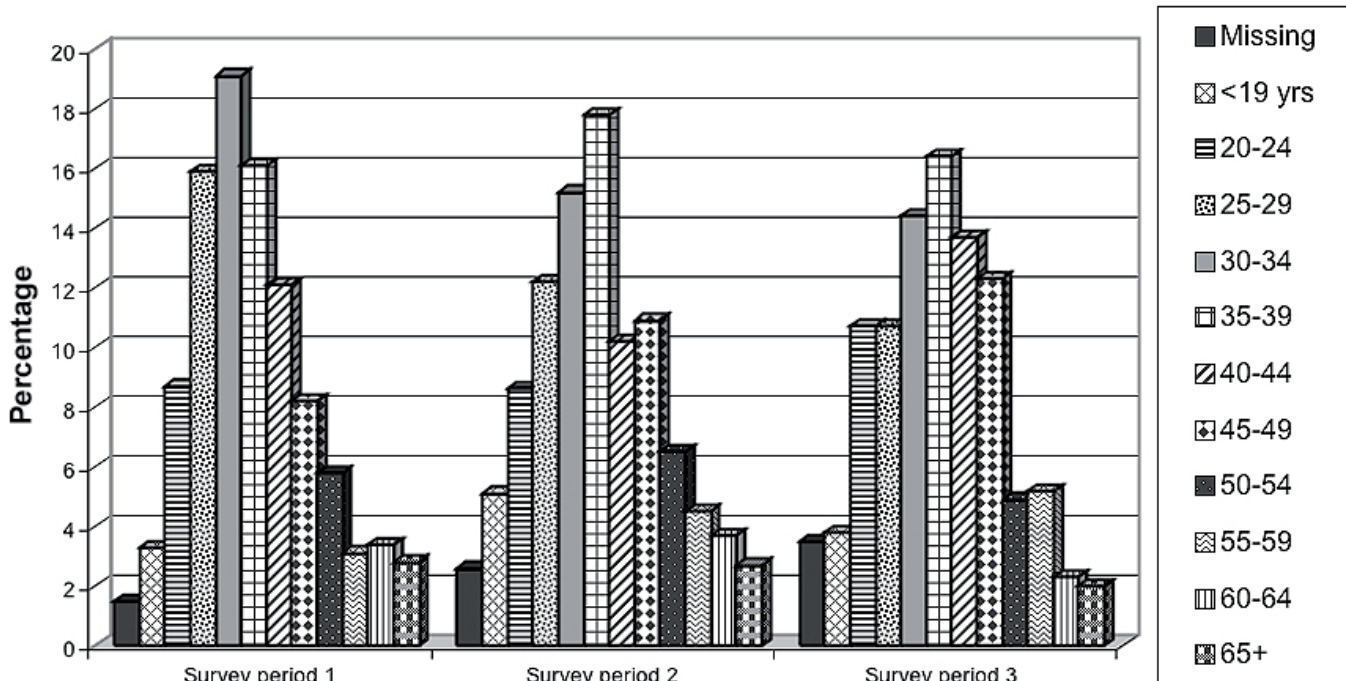


Table 6.10 provides a breakdown of survey respondents according to gender over the time in which the surveys were collected.

Table 6.10 Gender of respondents over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|----------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Missing | 4 | 0.5 | 9 | 1.1 | 8 | 1.2 |
| Male | 306 | 37.6 | 349 | 43.4 | 278 | 42.6 |
| Female | 503 | 61.9 | 446 | 55.5 | 366 | 56.1 |
| TOTAL | 813 | 100 | 804 | 100 | 652 | 100 |

Figure 6.9 Gender of respondents over three survey periods

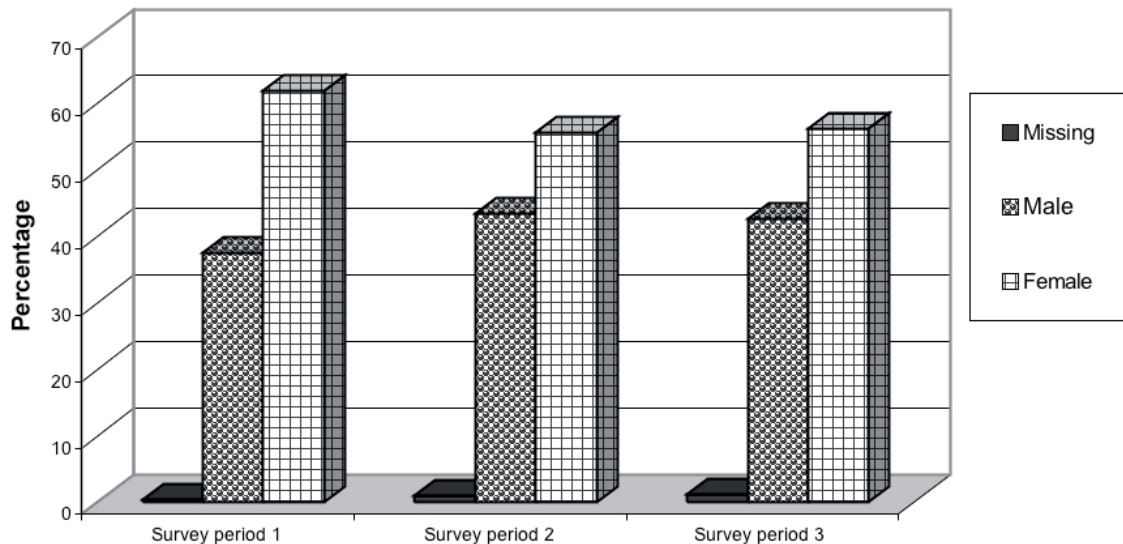


Figure 6.9 shows that the proportion of men seeking emergency relief increased towards the end of the year in the second survey period then decreased slightly. While there were more female than male respondents overall, the proportion of women seeking assistance was greatest during the first survey period.

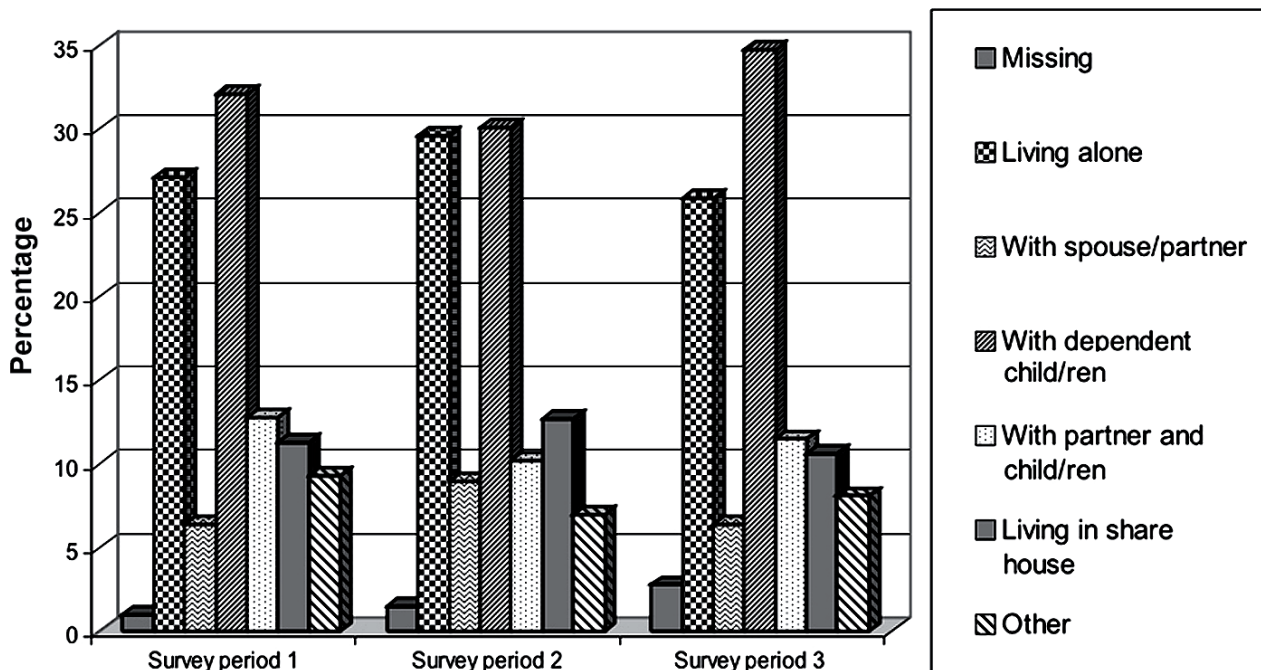
Household composition over time

Some small changes are evident in the proportion of different types of households seeking assistance over the three survey periods as shown in table 6.11.

Table 6.11 Respondents' households over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|--|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Missing | 8 | 1 | 12 | 1.5 | 18 | 2.8 |
| Living alone | 220 | 27.1 | 238 | 29.6 | 169 | 25.9 |
| Living with a spouse/partner | 52 | 6.4 | 72 | 9 | 42 | 6.4 |
| Living with dependent child/ren (without spouse/partner) | 261 | 32.1 | 242 | 30.1 | 226 | 34.7 |
| Living with spouse/partner and child/ren | 104 | 12.8 | 82 | 10.2 | 75 | 11.5 |
| Living in share house | 92 | 11.3 | 102 | 12.7 | 69 | 10.6 |
| Other | 76 | 9.3 | 56 | 7 | 53 | 8.1 |
| TOTAL | 813 | 100 | 804 | 100 | 652 | 100 |

Figure 6.10 Respondents' households over three survey periods



The proportion of sole parents seeking assistance was highest in the third survey period at the start of 2008. This is reasonable given the cost pressures many would have experienced from children going back to school as discussed earlier; interestingly however, the proportion of partnered parent households doesn't follow the same trend.

The greatest proportion of both people living alone and people in share houses sought emergency relief in the second survey period in September 2007. As so many respondents had identified utility bills as a significant cost pressure in the months after winter, it's possible that single people in particular found utility bills a major cost burden at that time of the year.

Housing over time

Respondents' housing tenure is relatively consistent across the three survey periods, as figure 6.11 shows. Private rental was consistently the main type of housing for emergency relief recipients responding to the survey over the three survey periods, accounting for nearly 45 per cent of total responses. The proportion of people in private rental responding to the survey was highest in the second survey period of September 2007, while the proportion of public housing tenants was marginally higher in the first survey period of April-May 2007 than at other times.

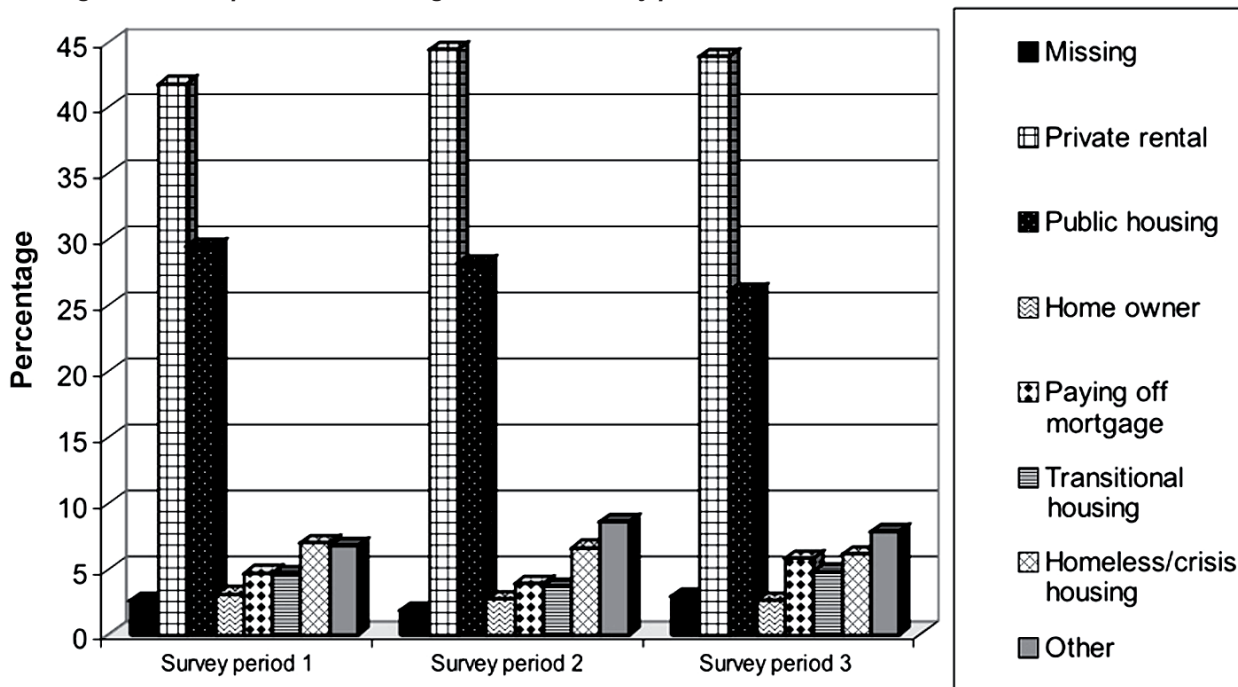
Table 6.12 Respondents' housing over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|-------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Missing | 21 | 2.6 | 15 | 1.9 | 19 | 2.9 |
| Private rental | 340 | 41.8 | 357 | 44.4 | 286 | 43.9 |
| Public housing | 240 | 29.5 | 227 | 28.2 | 170 | 26.1 |
| Home owner | 25 | 3.1 | 22 | 2.7 | 17 | 2.6 |
| Paying off mortgage | 38 | 4.7 | 31 | 3.9 | 38 | 5.8 |
| Transitional housing | 37 | 4.6 | 30 | 3.7 | 31 | 4.8 |
| Homeless/crisis housing | 57 | 7 | 53 | 6.6 | 40 | 6.1 |
| Other* | 55 | 6.8 | 69 | 8.6 | 51 | 7.8 |
| TOTAL | 813 | 100 | 804 | 100 | 652 | 100 |

*Includes caravan parks and rooming houses

There was a small but clear increase in the proportion of respondents with a mortgage requiring emergency relief between the second half of 2007 and the start of 2008, which may be due to rising interest rates over this time. Overall, the relative consistency in the housing tenure of people seeking emergency relief over time is evidence of a relatively stable population of emergency relief recipients.

Figure 6.11 Respondents' housing over three survey periods



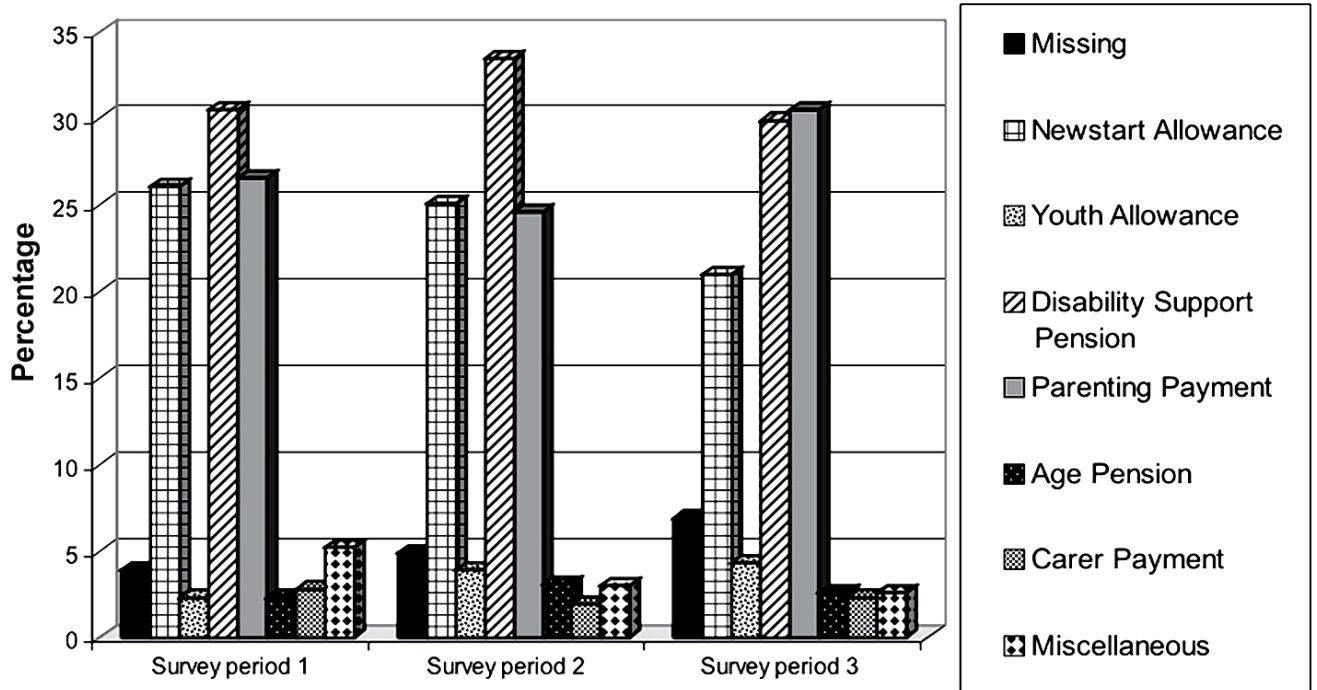
Centrelink payments over time

As table 6.13 shows, the proportion of respondents receiving different Centrelink payments was also relatively stable over time, with some slight variations.

Table 6.13 Centrelink payments received by respondents over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|----------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Missing | 32 | 3.9 | 39 | 4.9 | 45 | 6.9 |
| Newstart Allowance | 212 | 26.1 | 202 | 25.1 | 137 | 21 |
| Youth Allowance | 19 | 2.3 | 31 | 3.9 | 28 | 4.3 |
| Disability Support Pension | 248 | 30.5 | 269 | 33.5 | 195 | 29.9 |
| Parenting Payment | 216 | 26.6 | 198 | 24.6 | 199 | 30.5 |
| Age Pension | 19 | 2.3 | 25 | 3.1 | 17 | 2.6 |
| Carer Payment | 23 | 2.8 | 15 | 1.9 | 15 | 2.3 |
| Miscellaneous | | | | | | |
| Austudy | 0 | 0 | 4 | 0.5 | 1 | 0.2 |
| Crisis Payment | 2 | 0.2 | 2 | 0.2 | 1 | 0.2 |
| Mobility Allowance | 0 | 0 | 1 | 0.1 | 1 | 0.2 |
| Other | 41 | 5 | 18 | 2.2 | 13 | 2 |
| (Total Misc.) | 43 | 5.2 | 25 | 3 | 16 | 2.6 |
| TOTAL | 813 | 100 | 804 | 100 | 652 | 100 |

Figure 6.12 Centrelink payments received by respondents over three survey periods



There is a discernable increase in the proportion of respondents receiving Parenting Payment between the first and third survey periods, which may reflect additional cost pressures experienced by parents at the start of the school year as outlined earlier. There is also a clear decrease in the proportion of respondents on Newstart Allowance between the second and third survey periods. Agencies consulted on the survey findings noted that many people move off Newstart Allowance over the Christmas period due to seasonal work and the increased availability of casual work in the hospitality and retail sectors, which may explain this variation.

Main reason for seeking emergency relief over time

Figure 6.13 shows how the main reason that respondents identified for seeking emergency relief varied across the three survey periods. As discussed in Chapter 5, this question gives a sense of both the primary factor driving people in financial crisis or hardship to seek emergency relief assistance on the day they completed the survey, and the main type of assistance being sought from agencies. People responded to this question in their own words, and the responses were grouped accordingly: responses such as 'I'm broke', 'I'm poor' or 'Run out of money' were grouped as 'Lack of money'.

Figure 6.13 Respondents' main reason for seeking emergency relief over three survey periods

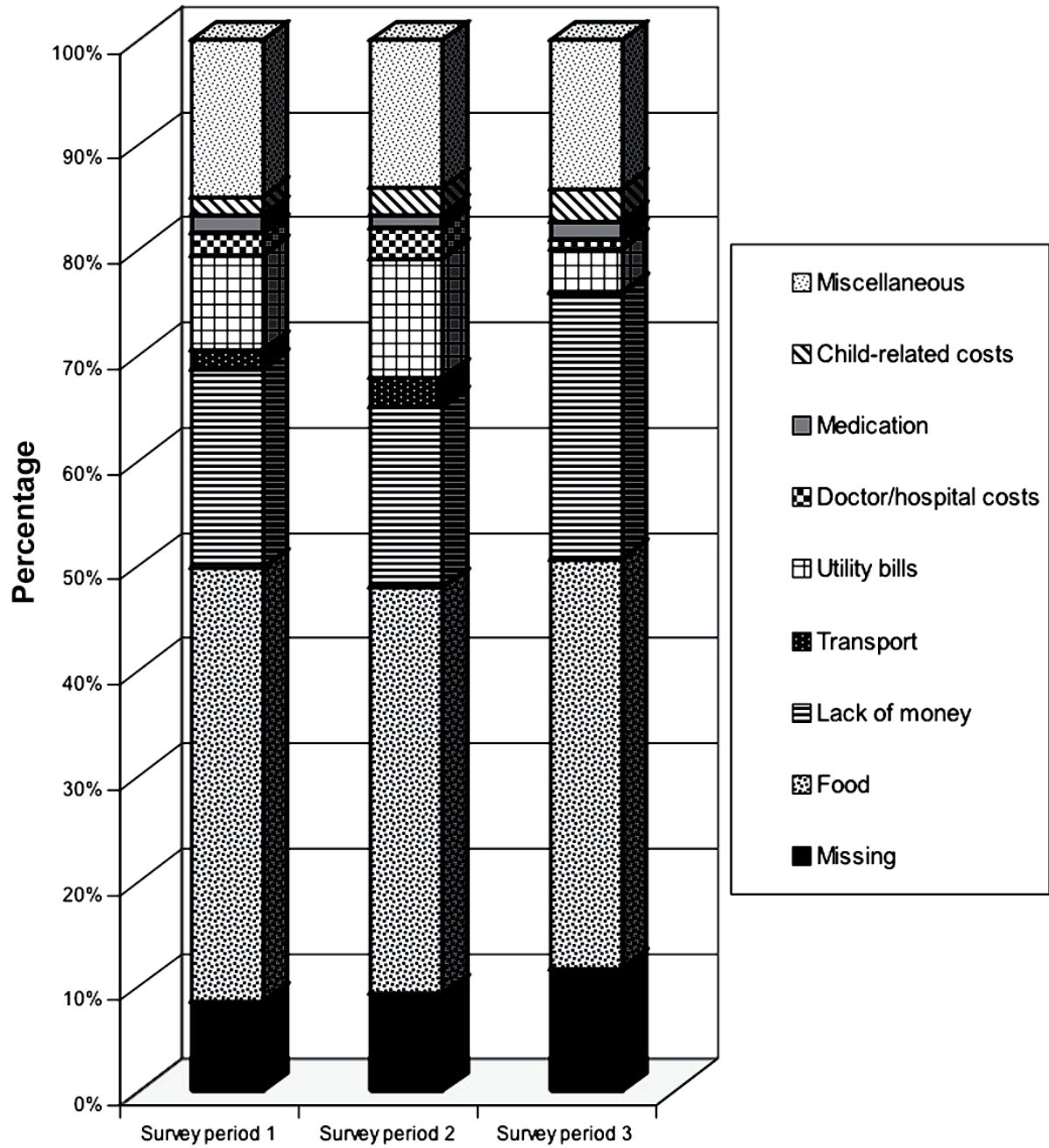


Table 6.14 Respondents' main reason for seeking emergency relief over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|--|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Missing | 69 | 8.5 | 75 | 9.3 | 76 | 11.7 |
| Food | 335 | 41.2 | 309 | 38.4 | 254 | 39 |
| Lack of money | 154 | 18.9 | 138 | 17.2 | 165 | 25.3 |
| Transport | 15 | 1.8 | 22 | 2.7 | 1 | 0.2 |
| Utility bills | 73 | 9 | 91 | 11.3 | 27 | 4.1 |
| Doctor/hospital costs | 17 | 2.1 | 23 | 2.9 | 6 | 0.9 |
| Medication | 14 | 1.7 | 10 | 1.2 | 11 | 1.7 |
| Child-related costs | 15 | 1.8 | 21 | 2.6 | 20 | 3.1 |
| Miscellaneous | | | | | | |
| Housing costs | 24 | 3 | 0 | 0 | 1 | 0.2 |
| Domestic violence | 4 | 0.5 | 2 | 0.2 | 3 | 0.5 |
| Job loss | 5 | 0.6 | 7 | 0.9 | 4 | 0.6 |
| Centrelink payment suspension ('breach') | 9 | 1.1 | 13 | 1.6 | 4 | 0.6 |
| Other* | 79 | 9.7 | 93 | 11.3 | 80 | 12.3 |
| (Total Misc.) | 121 | 14.9 | 115 | 14 | 92 | 14.2 |
| TOTAL | 813 | 100 | 804 | 100 | 652 | 100 |

* Includes fines, clothing and the need to replace/repair a household item

The need for food was the greatest factor driving respondents to seek emergency relief assistance. As discussed in the previous chapter, many households in financial crisis or hardship prioritise fixed expenses which need to be paid and seek emergency relief for food, one of the few expenses over which they have discretion. The proportion of people identifying that they were seeking assistance with food remained relatively steady throughout the year. In contrast, there was a clear increase in the proportion of people who identified that they had run out of money at the start of 2008. This could be due to higher expenditure over the Christmas period coupled with cost pressures on families due to children returning to school.

The proportion of people who identified utility costs as their main reason for requiring emergency relief assistance was also clearly greatest in the second survey period of September 2007. As discussed in the previous chapter, a number of respondents had identified high utility bills during the winter months as a key contributor to their financial stress at that time of the year, which most likely accounted for this trend.

Other costs contributing to financial hardship over time

Table 6.15 and figure 6.14 show that the cost pressures respondents identified as contributing to their financial stress are relatively consistent over the three survey periods (April-May 2007, September 2007 and January-February 2008), with several slight variations. Both car maintenance and petrol were identified by a slightly greater

proportion of respondents as cost pressures in the first survey period than in the second, but while the proportion of respondents identifying petrol as a significant cost had increased again by the third period, those identifying car maintenance had not.

The proportion of respondents identifying utility bills as cost-intensive was consistent throughout the year, which is somewhat unusual as there was clearly an increase in the proportion of people who noted that utility costs were their main reason for seeking assistance in the survey period immediately following winter.

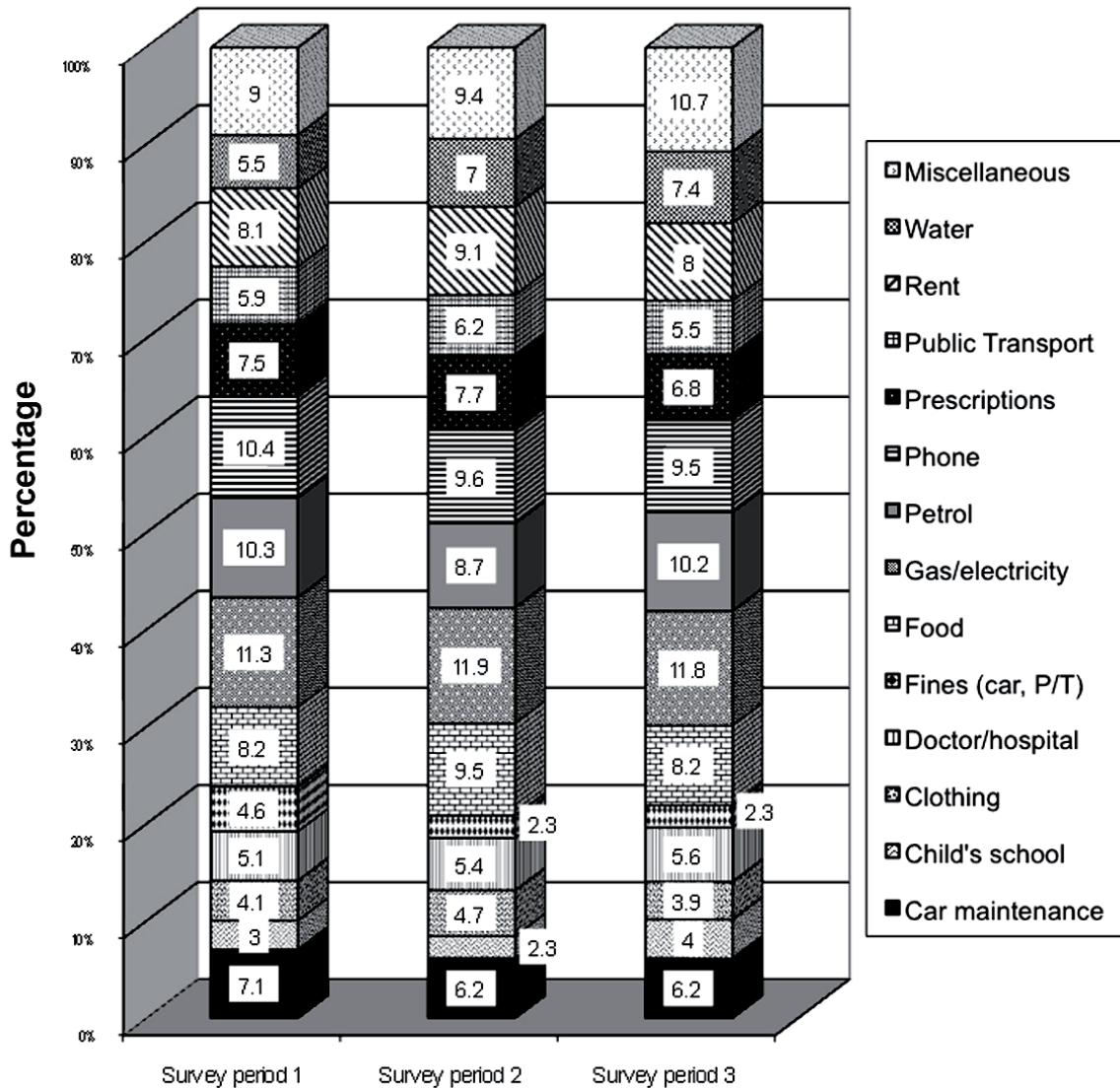
A greater proportion of people identified water costs as problematic in the spring of 2007 and summer of 2008. The other notable finding was that double the proportion of respondents noted that car or public transport fines were a significant cost in the first survey period than at any other time.

Table 6.15 Other costs contributing to respondents' financial hardship over three survey periods

| | Survey period 1 (no.) | Survey period 1 (%) | Survey period 2 (no.) | Survey period 2 (%) | Survey period 3 (no.) | Survey period 3 (%) |
|-------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Car maintenance | 242 | 7.1 | 219 | 6.2 | 191 | 6.2 |
| Child's school | 102 | 3.0 | 83 | 2.3 | 122 | 4.0 |
| Clothing | 140 | 4.1 | 165 | 4.7 | 119 | 3.9 |
| Doctor/hospital | 174 | 5.1 | 190 | 5.4 | 170 | 5.6 |
| Fines (car, P/T) | 158 | 4.6 | 83 | 2.3 | 71 | 2.3 |
| Food | 279 | 8.2 | 336 | 9.5 | 252 | 8.2 |
| Gas/electricity | 387 | 11.3 | 422 | 11.9 | 360 | 11.8 |
| Petrol | 351 | 10.3 | 308 | 8.7 | 311 | 10.2 |
| Phone | 357 | 10.4 | 340 | 9.6 | 289 | 9.5 |
| Prescriptions | 256 | 7.5 | 272 | 7.7 | 208 | 6.8 |
| Public Transport | 201 | 5.9 | 221 | 6.2 | 167 | 5.5 |
| Rent | 277 | 8.1 | 321 | 9.1 | 245 | 8.0 |
| Water | 188 | 5.5 | 247 | 7.0 | 227 | 7.4 |
| Miscellaneous | | | | | | |
| C'link breach | 23 | 0.7 | 19 | 0.5 | 12 | 0.4 |
| D/V | 19 | 0.6 | 18 | 0.5 | 12 | 0.4 |
| Bond | 28 | 0.8 | 15 | 0.4 | 23 | 0.8 |
| Own education | 1 | 0.0 | 11 | 0.3 | 19 | 0.6 |
| Other | 80 | 2.3 | 94 | 2.7 | 52 | 1.7 |
| Moving house | 0 | 0.0 | 16 | 0.5 | 31 | 1.0 |
| Mortgage | 26 | 0.8 | 20 | 0.6 | 18 | 0.6 |
| Job loss | 45 | 1.3 | 30 | 0.8 | 20 | 0.7 |
| Internet | 37 | 1.1 | 49 | 1.4 | 66 | 2.2 |
| Child care | 49 | 1.4 | 39 | 1.1 | 13 | 0.4 |
| Dentist | 0 | 0.0 | 20 | 0.6 | 60 | 2.0 |
| (Total Misc.) | 308 | 9.0 | 331 | 9.4 | 326 | 10.7 |
| TOTAL | 3420 | 100.0 | 3538 | 100.0 | 3058 | 100.0 |

The most striking variation in the cost pressures respondents identified as contributing to their financial stress over time was education costs. Just under half of the respondents had children. The survey had asked the age of respondents' youngest children, in order to investigate the impacts of Welfare to Work, but did not ask about the ages of other children, so the number of respondents with school-aged children is unknown. The data shows that nearly twice the proportion of respondents identified school costs as a considerable pressure in January-February 2008 than in the previous survey period. Although at 4 per cent of the total respondents this does not seem high, the qualitative comments affirm the impact of school costs on parents at this time. A large number of respondents described a range of school-related costs as being

Figure 6.14 Other costs contributing to respondents' financial hardship over three survey periods



problematic during the third survey period, with some common themes such as school uniforms, school shoes, excursions, camps and fees evident.

It would be valuable to investigate what impact the range of subsidies and rebates from both the State and Federal Governments, which will be available to many parents in Victoria to assist with costs during the 2009 school year, will have on the demand for emergency relief. Much of this assistance is targeted towards low income households. However, rebates will not assist families in financial hardship with school costs at the time they are incurred, so parents eligible for rebates for school-related expenses are likely to still struggle to meet these costs at the start of the school year.

A selection of comments from respondents regarding education costs received in the third survey period is below. The number of comments received from parents across Victoria is indicative of the universal impact of school costs on households in financial hardship.

'(I've got) too many bills and my daughter's school fees.'
– Eileen, 50, Caniambo

'Just moved house, daughter starting new school, not enough money to set house up, (buy) school uniforms and pay the bills all together.'
– Brendan, 33, Bendigo

'Child's birthday and Christmas and back to school stuff left me with no money.' – Lisa, 33, Kangaroo Flat

'(It's) necessary to reduce all bills to survive on sickness benefits (because of) costs of child (going) into high school.'
– Joan, 45, Kinglake

'Short of money as my son went back to school.' – Stuart, 29, Karingal

'Start to 2008 school year, school shoes, VCAL payment.'
– Jodie, 29, McCrae

'Kids back to school and car off the road, no rego.'
– Matthew, 48, St Albans

'No money for school books. It's getting harder to manage week to week.' – Laura, 43, Creswick

'School fees, uniforms, camps. Cost of everything gone through the roof, impossible to budget, can't cope or plan.'
– Sue, 49, East Bentleigh

'Paid my children's school fees.' – Danielle, 32, Werribee

'School start costs – year 7 – uniform, books etc.'
– Sally, 46, Northcote

'Having 3 children in school, uniforms and school expenses are overwhelming...'- Anna, 31, Wyndham Vale

'I had three children all start a new school, had to buy uniforms, my eldest has camp already as well.' – Natalie, 29, Roxburgh Park

'I've just paid \$400 for two of the kids to go on school excursions...'
– Adam, 31, Wangaratta

'Too many bills and my daughter's school fees.'
– Rose, 50, Shepparton

'Paying private rent and having four kids I cannot manage on the Parenting Payment particularly at this time of year and (with) school expenses for three children.' – Erin, 30, Berwick

'Bills, school camps, it all comes at once. I don't think I can do it financially on my own.' – Barbara, 45, Rosebud

Summary

The analysis of the survey findings over the different geographic areas and over time discussed in this chapter highlight some significant issues. There were some slight variations in the data over time:

- the average age of respondents increased over the year in which the survey was undertaken;
- there were more sole parents and people with mortgages at the start of 2008 than during earlier survey periods;
- gas and electricity costs had the greatest impact in the second survey period after the winter of 2007; and
- children's education costs were identified as causing respondents' financial pressure at the beginning of the 2008 school year.

Overall, however, the findings about the population groups seeking emergency relief and the cost pressures they were experiencing were relatively consistent over the year in which the survey was undertaken. This indicates a relatively stable emergency relief recipient population.

In contrast, some of the variations across geographic areas in both the emergency relief population profile, and the expenses causing them difficulty, were quite pronounced. The greatest proportion of respondents in both metropolitan Melbourne and Melbourne fringe regions were aged between 30 and 34, while inner Melbourne and rural Victoria had a greater proportion of respondents aged over 55 than the other regions. Inner Melbourne was also the only region where the proportion of men seeking assistance was greater than the proportion of women. Inner Melbourne had the greatest proportion

of people in financial hardship living alone. The greatest proportion of sole parent households was in the suburbs on the fringe of Melbourne.

The fringe suburbs of Melbourne also had the highest proportion of private rental households in financial hardship of all the regions, while the greatest proportion of people in financial hardship living in public housing was in regional Victoria.

Over 10 per cent of respondents in both the middle and fringe suburbs of Melbourne and just under 10 per cent in rural and regional Victoria either had a mortgage or owned their homes outright. In addition, while inner Melbourne had the highest proportion of homeless people of all the regions, there was also a significant proportion of respondents who were homeless in regional Victoria.

Inner Melbourne had the greatest proportion of both Newstart Allowance and Disability Support Pension recipients, with a relatively high proportion of DSP recipients in middle Melbourne and rural and regional Victoria. Although the number of Age Pension recipients overall was low, the greatest proportion of Age Pension recipients was in inner Melbourne.

The clearest differences in cost pressures identified by respondents in different regions were that petrol was most evidently the most commonly-identified cost pressure in rural Victoria. Inner Melbourne had a greater proportion of respondents identifying that both public transport and rent were problematic than other regions. Additionally, the proportion of respondents who identified that the cost of prescription medication caused them particular difficulty was notably greater in inner Melbourne.

Two groups clearly emerge from the regional analysis as experiencing particular financial hardship. The first is single men on Newstart Allowance or the Disability Support Pension who are homeless in inner Melbourne. The second is sole mothers in private rental with high petrol costs living in the fringe suburbs of Melbourne. These groups will be discussed further in the next and final chapter.



Chapter 7: Conclusion

Under Pressure: Costs of living, financial hardship and emergency relief in Victoria set out to fill a significant gap in knowledge about the causes and effects of financial disadvantage in Victoria by investigating the nature of the demand for emergency relief. Systematic, quantifiable data on the demand for emergency relief had not been comprehensively collected in Victoria for many years prior to this research.

The emergency relief sector provided the researchers with the opportunity to gain insight into the experience of individuals and families experiencing financial disadvantage in Victoria, and its causes and effects. While the emergency relief sector provided the setting for the research, its findings have implications far beyond the sector.

In a socially just society which provided for the equitable distribution of resources, emergency relief would not be needed. Certainly it would not be the default income security system that many providers and recipients report that it has become. A combination of high costs of living and inadequate income create the demand for emergency relief, coupled with a lack of resources to create a financial buffer against hard times. People without resources such as insurance, savings, assets, money set aside for an emergency or the ability to seek assistance from family are particularly vulnerable to increases in costs of living and find it especially difficult to cope in a crisis situation. As household resources are depleted, essential goods and services are progressively sacrificed. The end result is deprivation.

Emergency relief is a reliable indicator of deprivation because people in financial hardship typically juggle household expenses to pay the most crucial first – the rent or mortgage, utilities, petrol – and then seek what emergency relief assistance is available for what they would otherwise be forced to go without. Although emergency relief may be free to an individual in the monetary sense, it does not come without personal cost. Accessing emergency relief assistance usually requires considerable time and effort and often involves discomfort, embarrassment, and loss of self-esteem, even when providers make strenuous efforts to avoid these consequences. For these reasons approaching emergency relief agencies can be taken as a measure of financial desperation.

The general pattern of emergency relief recipients and their reasons for being in financial hardship largely remained stable over the 12 months in which the survey was conducted, although some trends became clear. Particular groups in the community emerged as being more affected by the disparity between income and expenditure: sole parents, particularly mothers; single men; people with disabilities, and families in the fringe suburbs of Melbourne. Certain costs of living were highlighted as creating undue hardship across many groups, such as utility and petrol costs. There were also some clear differences in the patterns of hardship in particular localities. These trends are discussed below.

Sole parents on Melbourne's fringe

Women accounted for almost 60 percent of the total number of emergency relief recipients who responded to the survey. The majority of female respondents were sole parents, with the most common household type represented in the research being sole parent households headed by women. This confirms the findings of previous research that sole parents, particularly women, make up a significant proportion of emergency relief recipients, and that households headed by sole parents are especially vulnerable to poverty. Women are generally more financially vulnerable due to lower earnings and periods of time out of the workforce caring for children. This vulnerability is compounded after separation, with single mothers generally experiencing greater financial disadvantage than their former partners.

Those sole parent families who are struggling are also often 'on the fringe' in another sense, with the research showing that these families are frequently living in suburbs on the metropolitan fringe of Melbourne. The Melbourne fringe region was also where the number of women seeking emergency relief was more than double the number of men.

Somewhat surprisingly, the largest group of emergency relief recipients responding to the survey was 30-40 year olds. This finding suggests that middle adulthood, the most intensive parenting and working years, is more likely to bring financial disadvantage than other stages of life. The research also revealed a disturbingly high proportion of very young children in families in financial hardship in Victoria.

Single men in inner Melbourne

The second most frequently-represented household type, after sole parents, was people living alone. While the sole parents represented in the research were mostly women, these sole householders were mainly men. Neither single households nor sole parents can share household expenses as a couple can, yet costs such as rent and utilities can be nearly as high as for a couple, indeed higher with children.

Single unemployed people receiving income support payments are particularly vulnerable to poverty. The research revealed disproportionate numbers of men experiencing financial hardship in single person households, living in the inner city; indeed the only region in which men seeking emergency relief outnumbered women was the inner city. In a number of ways the profile of emergency relief recipients in the inner city was different to that of other regions. The inner city not only had the highest relative numbers of men and single person households, but also the highest proportion of transitional and homeless people, people receiving Newstart Allowance, and people receiving the Disability Support Pension. Given what is known about the common factors contributing to homelessness, long-term unemployment and receipt of the Disability Support Pension, it is likely that a high proportion of these Disability Support Pension recipients have mental health issues. In this context, approaching emergency relief agencies can also provide social support and be an antidote to isolation.

People with a disability

The most common income source amongst all the respondents in this research was the Disability Support Pension. The data shows a clear overlap between Disability Support Pension recipients, sole parents and the single households mentioned above – a significant number of respondents receiving the Disability Support Pension were sole parents. People with a disability often live on low incomes and are excluded from employment opportunities yet must meet particularly high costs which can include medication, aids and equipment, appropriate housing, transport, supports and services.

Over two thirds of Disability Support Pension recipients who responded to the survey were aged between 25 and 49. People who acquire a disability or chronic illness when they are of working age typically haven't had the opportunity to build up an asset base, and many who acquire a chronic illness such as multiple sclerosis or cancer do so during their working years. There is also significant disparity between those who acquire their disability through an accident or incident that makes them eligible for compensation and those who acquire a disability or chronic illness through non-compensable means. The latter find themselves dependent on very limited government funding with which to modify their home or vehicle, purchase equipment and support services.

Housing costs

As would be expected, the most common type of housing amongst those in financial hardship was rental housing. While this was predominantly private rental housing, public tenants were over-represented relative to actual public housing supply in Victoria. The relatively higher level of financial difficulty amongst public tenants may be indicative of a greater complexity of issues and greater level of vulnerability – the residual nature of the public housing sector in Victoria has meant that only those with the most complex issues tend to be 'housed' in public housing.

Emergency relief service providers have often commented that if they could make one structural change to reduce the demand for emergency relief, it would be to increase supply of affordable housing. Qualitative evidence collected through this research highlights private rents in excess of the 30 per cent of income, which is the generally accepted benchmark of housing affordability. Additionally, nearly a third of emergency relief recipients responding to the survey identified that they were experiencing primary or tertiary homelessness.

While not as common as renters seeking emergency relief, mortgage holders have been identified by providers as a growing group of emergency relief recipients. The proportion of respondents to this research who had a mortgage was highest in the final survey period (January- February 2008), reflecting the increase in interest rates at that time. Not surprisingly, this proportion of respondents was also higher in middle and fringe Melbourne, as well as in rural Victoria. This emerging population of people in financial hardship due to mortgage stress, and additional debts accrued as personal

financial crises deepen, is described by emergency relief workers elsewhere in this report.

Utility costs

Gas and electricity costs were the costs most frequently identified by respondents as contributing to their financial difficulty. This may reflect that emergency relief agencies often provide advocacy and support to access utility companies' hardship programs. That these costs have emerged so clearly in this research as a cause of household financial stress merits further attention by policy-makers. This finding is particularly timely given current considerations about the potential social impacts of climate change mitigation strategies. In addition, the finding that telephone costs were also ranked highly by respondents as contributing to their financial difficulty also warrants further exploration.

Petrol costs

Petrol was the most common contributor to financial difficulty after utilities and telephone costs, with nearly 10 per cent of respondents identifying the cost of petrol as a factor contributing to their seeking emergency relief. This finding reflects the impact of the dramatic increases in the cost of petrol which occurred during the period in which this research was undertaken, as well as the high representation of respondents from Melbourne fringe suburbs, rural and regional Victoria in the research.

Cars are essential in areas where high quality public transport is not available. This is highlighted by the finding that car maintenance was rated in the top ten of costs contributing to respondents' financial difficulty. Car maintenance, repairs and insurance are essential expenses for people who are car-dependent, but are costs for which little or no financial assistance is available.

These findings reinforce the conclusions of the research discussed in Chapter 2. As supply of affordable housing is increasingly concentrated in these outer areas of Melbourne and regional Victoria, the most car-dependent households also tend to be those on low incomes. Communities in these areas are therefore particularly vulnerable to both high petrol costs and housing debt.

Income insecurity

Income security is the first prerequisite for financial wellbeing. If social security payments are inadequate to achieve an adequate standard of living (as this research clearly finds) the result is poverty and deprivation. As the Emergency Relief Program Guidelines provided by the Department of Family, Housing, Community Services and Indigenous Affairs stipulate, emergency relief is intended to assist people in temporary financial crises, not as a form of income support. The Program is structured to provide

a 'band-aid' remedy for temporary crises, not a remedy for structural inequalities. Social security payments need to be increased relative to costs of living so that emergency relief is no longer required to compensate for the inadequacies of the social security system.

Some groups are particularly disadvantaged by current social security arrangements. Single income households, for example, are over-represented amongst emergency relief recipients, indicating that social security payment levels for singles need to be adjusted to cover essential living expenses. Unemployed people receiving Newstart Allowance also struggle with the costs of job-hunting on top of meeting essential living costs.

Federal Government policies such as Welfare to Work that increase the 'incentive' for individuals to gain employment by decreasing access to social security too often endanger their access to the essentials of food and shelter. The representation in this research of sole parents of older children, who would have been receiving the low rate of Newstart Allowance under Welfare to Work, and those who would have had their payments suspended as a result of Welfare to Work, suggests that this deprivation was the outcome of this policy in many cases. Additionally, the finding that well over half of the respondents who were working had experienced one or more factors which diminished their working conditions since the introduction of the Federal Government's WorkChoices legislation indicates that WorkChoices had an impact on the financial hardship of vulnerable workers.

Lack of affordable, targeted financial services

Alongside the provision of adequate income security and ensuring the affordability of essential goods and services, access to affordable financial services is necessary to reduce the need for emergency relief. People on low incomes, particularly those receiving social security payments with high ongoing costs for essentials such as housing, do not have the capacity to save, purchase insurance, or to build up other assets. That relatively fewer older people were identified in this research as seeking emergency relief could perhaps reflect their capacity to have built up a financial buffer such as a home, superannuation, or other assets, through various life stages. The finding that the majority of emergency relief recipients were in the middle years can be explained not just by the additional pressures on household budgets in that life stage, but also the relatively short time that people in that age group have had to acquire additional resources.

Accessing financial advice and information can be very difficult for people on low incomes, due to the high cost of private financial services and the limited availability of financial counsellors. Financial counsellors provide critical support to Victorians facing hardship, assisting them to manage their finances, deal with debt, and adapt financially to major life transitions. However, a severe shortage of counsellors and long waiting lists for assistance mean that Victoria's financial counselling sector is stretched almost

to breaking point. With services forced to prioritise those in severe debt, little or no assistance is available for early intervention to prevent the development of financial crises. Preventative financial information and support for financial decision-making is either not available to those who cannot purchase it, or, if free, is biased by the vested interest of the companies funding it. In this environment, with new financial products continually introduced, and indeed marketed to vulnerable groups, unmanageable debt has also become a significant problem for many people seeking emergency relief.

For the people represented in this research, being able to access emergency relief is vital to enable them to cope with sudden crises and ongoing financial hardship. Yet, from the point of view of progressive policy and practice, the provision of emergency relief should be a last resort. If key structural measures were undertaken, such as those outlined in the recommendations of this report, individuals and households would be better placed to balance their budgets and cover emergencies without having to seek emergency relief assistance. Until such reforms are implemented, Victoria needs a responsive, sustainable, and integrated emergency relief sector to provide the best possible assistance to those in need. A sector resourced to take a holistic approach to emergency relief provision would provide advocacy, referral to specialist services and information about rights and entitlements in addition to material aid. An appropriately resourced sector could also provide policy-makers with valuable information about the impacts of changing social, environmental and economic conditions and, through its extensive networks, play a greater role in disaster relief, emergency response and community strengthening initiatives.

Although this research had strong support from the emergency relief sector, it presented many challenges. Emergency relief agencies typically have minimal organisational resources for activities such as research. Without a dedicated budget, this research was only made possible by collaboration between many community agencies, two peak bodies, and a university. The lack of financial resources also inevitably limited the research sample size and design, and made progress much slower than it would otherwise have been. Resourcing the sector to undertake regular data collection would remove much of the need for research such as this in the future.

There will continue to be emerging issues which impact on the most vulnerable community members, and indeed which create new vulnerable groups. The emergency relief sector plays a unique and valuable role in identifying these trends, hearing the stories of people in need, and conveying the need for action to advocates and policy-makers. This research was evidence of the importance of this role, and of the desire of the emergency relief sector to address the social and economic conditions which reduce peoples' choices to the point where they seek emergency relief.

Recommendations

The following recommendations need to be implemented by the Federal and State Governments in order to minimise the impacts of cost increases on Victorian households and improve the effectiveness of emergency relief assistance.

1. To assist social security recipients to afford essential expenses it is recommended that

The Federal Government:

- increase the single rate of Newstart Allowance, Youth Allowance and Parenting Payment by \$30 per week, until wider reforms of the taxation and social security systems are implemented;
- increase Utilities Allowance by 30 per cent (\$150 per year); and
- extend the eligibility for the Utilities Allowance to recipients of Parenting Payment, Newstart Allowance and other social security recipients who do not currently receive it.

2. To enable social security recipients to afford the essentials of life it is recommended that

The Federal Government reform the social security and taxation systems so that:

- payment rates are based on a standard which reflects the minimum incomes necessary for different households to maintain an adequate standard of living in Australia;
- supplements are provided for specific costs such as costs associated with disability and additional costs experienced by sole parents;
- the income test for Newstart Allowance does not create a disincentive for Newstart recipients to work part-time;
- eight week non-payment periods are no longer imposed as a penalty for non-compliance with Centrelink requirements; and
- the combination of pension levels, superannuation and tax concessions enables people to achieve an adequate standard of living after retirement.

3. To better support parents and children in low income households it is recommended that

The Federal Government:

- improve child care affordability by merging the 50 per cent Child Care Tax Rebate and Child Care Benefit and changing the funding formula to improve affordability for low income families.

The State Government:

- continue to strengthen and increase investment in universal early years services (including maternal child health) and in early intervention family support services.

4. To ensure supply of essential utilities to low income households it is recommended that**The Federal Government:**

- expand its insulation program to include energy audits, retrofitting and upgrades for appliances such as refrigerators and hot water systems.

The State Government:

- increase funding for energy and water concessions to maintain their real value in the face of price increases and the introduction of an emissions trading scheme;
- implement mandatory thermal efficiency requirements for rental properties; and
- ensure an affordable water supply to households not connected to mains water.

5. To improve the affordability of housing for low income households it is recommended that**The Federal Government:**

- review the adequacy of Commonwealth Rent Assistance; and
- increase the maximum rate of Commonwealth Rent Assistance by \$15 per week until it can be reviewed.

The State Government:

- produce a comprehensive policy and associated programs to support low-income renters in the private market; and
- reform the *Residential Tenancies Act 1997* to ban 'rental bidding', remove 'no reason' notices to vacate and cap the proportion by which rents can be increased on each occasion.

6. To ensure all Victorians can access affordable, sustainable transport it is recommended that**The Federal Government:**

- provide funding for sustainable public transport infrastructure in areas of greatest need.

The State Government:

- review guidelines for, and increase promotion of, the Victorian Patient Medical Transport Scheme (VPTAS);
- increase investment in targeted initiatives such as community transport services and reform the Multi-Purpose Taxi Program to include frail older people and people with temporary impairments;
- increase investment in public transport infrastructure and services with a focus on:
 - services to suburban and regional industrial areas and employment hubs;
 - extensions to the metropolitan rail network to outer suburban growth area; and
 - inter-town bus services in rural Victoria to create links to regional service centres and the wider rural transport network.

7. To ensure that people on low incomes can access primary health and dental care it is recommended that**The Federal Government:**

- increase the Pharmaceutical Allowance by 100 per cent (\$2.90 per week);
- ensure that reforms to the health system are driven by a commitment to universal access to health services and the affordability of essential medications; and
- invest to ensure Health Care Card holders can access basic dental care.

8. To ensure that all children are able to participate in core educational activities and school life it is recommended that**The Federal Government:**

- provide funding for schools that is commensurate with their needs.

The State Government:

- change the guidelines on Parent Payments in Victorian Government Schools to ensure that camps, excursions and all other school-organised essential activities are available to all students regardless of ability to pay;
- ensure that schools have adequate funding to cover the costs of these activities;
- ensure that costs of stationary, textbooks and uniforms are affordable to all parents;

- provide funding to schools to cover these costs for parents for whom they are not affordable; and
- provide ongoing funding for students from low socioeconomic backgrounds based on their levels of disadvantage that follows each student through school.

9. To enable people on low incomes to be financially independent it is recommended that

The Federal Government:

- develop a national Matched Savings Scheme that gives people on low incomes the capacity to save a 'financial buffer' for difficult times and unexpected expenses;
- broker and support the provision of affordable insurance products for people living on low incomes;
- in partnership with community sector organisations, develop a system for delivering free, appropriate, preventative financial information and guidance; and
- ensure that regulation of the financial services industry offers sufficient protection to people with low levels of financial literacy to reduce levels of unmanageable debt in the community.

10. To improve the provision of supports to people experiencing financial hardship it is recommended that

The Federal Government:

- resource an industry planning process for the emergency relief sector which recognises the complementary role of emergency relief agencies in relation to other social and community services;
- resource a more detailed annual data collection process which captures the causes of demand for emergency relief in order to improve targeting of funds to areas and population groups of particular need,
- resource the peak body ER Victoria as part of initiatives to improve the delivery of emergency relief and other services by the Victorian emergency relief sector.

The State Government:

- contribute resources to the training and management of emergency relief volunteers in recognition of their role in community strengthening, disaster relief and recovery initiatives; and
- include emergency relief agencies in the planning and delivery of services and strategies aimed at preventing and alleviating financial hardship.

Appendix

SURVEY

Reasons for Seeking Emergency Relief

Thank you for your time and willingness to share information with us about why you are seeking emergency relief assistance today.

The purpose of this survey is to find out the reasons why people are seeking emergency relief assistance around Victoria.

The survey is being conducted by the Emergency Relief Victoria Network (a network of non-government emergency relief providers) the Victorian Council of Social Service (the peak body for non-government organisations in Victoria) and RMIT University.

We want to find out how particular government policies and increases in costs of living have affected peoples' financial circumstances. This information will enable us to advocate better for changes to government policies which affect people living on low incomes.

WE ARE NOT FROM ANY GOVERNMENT AGENCY AND COMPLETING THIS SURVEY WILL NOT AFFECT YOUR ABILITY TO ACCESS ANY KIND OF ASSISTANCE NOW OR IN FUTURE. The agency you have visited today has agreed to assist in the collection of this information. No personal details are being sought and your responses will be kept strictly confidential.

Please turn over for survey...

Please tick the box/es or fill in the space provided for each question

About you

1. What is your:

Age _____

Gender Male
 Female

Postcode _____

About your household

2. Are you:

- Living alone
- Living with a spouse or partner
- Living with a dependent child or children without a spouse or partner
- Living with a spouse or partner **and** dependent child/ren
- Living in a share house
- Other _____

3. If you have dependent children living with you,

How many? _____

What age is the **youngest** child? _____

4. How would you best describe your housing arrangements?

- Private rental
- Public housing
- Home owner
- Paying off mortgage
- Transitional housing
- Homeless or living in crisis housing
- Other _____

Work and income

5. Do you receive any income from Centrelink?

Yes No

6. If yes, do you receive **one or more** of the following payments?

- Newstart Allowance
- Youth Allowance
- Austudy
- Disability Pension
- Parenting Payment
- Crisis Payment
- Age Pension
- Carer Payment
- Mobility Allowance
- Exceptional Circumstances Payment
- Other _____

7. Are you waiting to be put on a Centrelink payment?

Yes No

8. Are you currently doing any **paid** work?

Yes No

If no, go to question 13

9. Are you working:

- Permanent full time
 Permanent part time
 Casual (regular)
 Casual (irregular)
 Self employed
 Other _____

10. Do you work on average:

- Less than 15 hours each week
 16 – 25 hours each week
 26 – 34 hours each week
 35 hours or more each week

11. Do you have an illness or disability which limits your ability to work more hours?

Yes No

12. If you are currently doing paid work or have done any paid work at any time **since July 2006**, have any of the following happened to you **since July 2006**?

- Your wage decreased because of a change in your contract
 Your roster or hours were changed when you didn't want them to change
 You had to leave a job because of problems in the workplace
 You were forced to resign from a job
 You were dismissed from a job for a reason defined by the employer as 'misconduct'
 There was another major change to your work or wages (*please describe*)

Please turn over page

Emergency relief assistance

13. What is your **MAIN** reason for seeking emergency relief assistance today?

14. Have any of the following also caused you financial difficulty recently? (**tick as many as apply to you**)

Transport costs:

- Petrol
- Car maintenance
- Public transport
- Public transport or parking fine/s

Utilities costs:

- Water
- Phone
- Internet
- Gas or electricity

Medical costs:

- Doctor
- Dentist
- Prescriptions

Housing costs:

- Rent
- Mortgage
- Bond
- Moving house

Education costs:

- Your child/ren's school costs
- Your own education

14. (continued)

Costs of:

- Food
- Clothing
- Childcare

Costs related to:

- Domestic violence
- Losing a job
- Centrelink payment suspension (breach)

- Other
(please describe)

15. Is there anything else you'd like to tell us about your reasons for seeking assistance today?

Thanks again for your time. Please fold survey in half and place in marked box.

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'We are very lucky to have such a wonderful friendly assistance program to help us through tough times. Thank you as I really appreciate it.' – Matilda, 43, Eaglehawk

'We desperately need more centres like this one.' – Angela, 32, St Albans

'I find the service fantastic. The volunteers are friendly and helpful. I don't know what I would have done without this service.' – Suzanne, 52, Frankston

'I think the volunteer workers are wonderful. They are caring and really do listen.'
– Lauren, 42, Bundoora

'The lovely staff are so helpful. They work really hard to help anyone out.' – Bridget, 33, Fairfield

'Thanks for helping me to brighten my life!' – Stephanie, 37, Kangaroo Flat

'Sometimes it's hard to get by, that's why I'm so happy for people like you.' – Leonie, 33, Frankston

'Very happy that there are services here that can help people.' – Rashida, 26, Roxburgh Park

'If not for C.A.B I don't know what I could do about my circumstances.' – Stefan, 48, Ferntree Gully

'Without outlets like this people like me are stuffed.' – Khalid, 29, Langwarrin

'If we did not have the support and help from these people we wouldn't survive.'
– Kathy, 35, Maldon

'Just thank God for the Salvos.' – Jeff, 34, Shepparton

'I thank you all so much for your assistance. I would not eat most times if it was not for the help I receive from Wesley Mission.' – Georgia, 60, Braybrook

'Without the aid of the community centre life would be even harder to cope with.'
– John, 46, Mulgrave

'Just want to say thank you, it's good to have understanding people to talk to and they don't judge you.' – Karen, 33, Ardmona

'I myself am very grateful and thankful to Uniting Church staff for all their support and help. Thank you. I'll keep smiling.' – Leanne, 34, Bendigo

'It's not easy. Thank you for your help.' – Bruce, 40, Bendigo

'Thank you so, so much, you are the best.' – Danny, 29, Swan Hill

'Thank you kindly for all your help and thanks be to God for lovely and helpful people like you.'
– Jacques, 44, Caulfield North

'I would like to say thank you for all the great work, for me and my child and all parents.'
– Jason, 41, Indigo Valley

'You're very helpful, thank you from the bottom of my heart.' – Rachel, 21, Kings Park

'Thanks for the great job you all do!' – Maria, 32, Fountaingate

'Love to say what a fantastic job you all are doing, some day would love to help.'
– Lisa, 23, Ringwood

'Thank you for your friendly assistance. I was made to feel welcome and did not feel like I was begging. Much appreciated.' – Adam, 37, St Kilda

'I try and try to make the money last and I hate coming here as I want to do it myself. I feel as if I have failed when I have to come here. Thank you so, so much for helping us today.'
– Anna, 36, Corio

'Just thanks for being there.' – Adele, 42, Montmorency

