

OUT OF REACH

National Economic & Social Impact

SURVEY 2016

KEY FINDINGS VICTORIA



OVERVIEW

The Economic and Social Impact Survey (ESIS) 2016 is the fifth consecutive national report by The Salvation Army exploring the levels of deprivation and disadvantage experienced by those who access Emergency Relief (ER) services in Australia. This booklet is an adjunct to the ESIS 2016 report and is a summary of the main themes and key findings relating to Victorian participants in this year's research.





THEMES & KEY FINDINGS

The findings of this year's ESIS highlighted a number of key themes in relation to housing affordability, lack of financial resources and social exclusion, and demonstrated that:

- 1** Individuals and families continue to experience high rental costs and extreme housing stress.
- 2** Family violence is the leading factor for housing instability.
- 3** Long term unemployment, due to a physical or mental health condition was a key factor in persistent disadvantage.
- 4** Children are at significant risk of social exclusion from generational poverty, unemployment and housing instability.

PROFILE

The respondent profile was compiled from the results of the Economic Social Impact Survey 2016. It represents a snapshot of the characteristics and life experiences of individuals who access Salvation Army ER services in Victoria.

Average of
2.4 children
in every
household

64%
of respondents
are female

43% are single parents

57% of children experienced
severe deprivation
(unable to afford 5+
essential items)

87% of adults experienced
severe deprivation
(unable to afford 5+
essential items)

\$200/week paid in rent

83% are recipients of
income support
payments

31%

are recipients of
Newstart Allowance

75%

resided in rental
accommodation

\$15.71 per day

(\$110 a week left over
for those on income
support to pay for utilities,
food, transport, health,
medical, pharmaceuticals,
clothing, education
and entertainment)

**“I just want to be able to
afford the rent and buy
food each week.”**

— Respondent

PART 1

DEMOGRAPHIC PROFILE

64 The majority (64%) of respondents were women, 33% aged between 35-44 years, 42% from single parent households (72% of these with two or more children) and 83% were recipients of government income support

1/2⁺ Just over half (53%) of respondents resided in the city, 44% from a regional town and 3% from a rural or remote location



PART 2 HOUSING, HOMELESSNESS & MOBILITY

1. Housing stress is defined as paying more than 30% of income on housing costs, extreme housing stress is counted as paying more than 50% of income on housing.

2. Median per week, rounded to the nearest dollar.

3. Equalised disposable income based on ABS calculation - adjustments to the actual incomes of households relative to different size and composition - hence in this report only including those with known number of people in the house (single with/without children and couple with/without children) <http://www.abs.gov.au/ausstats/abs@.nsf/P/Previousproducts/6523.0Appendix32011?opendocument&tab-name=Notes&prodno=6523.0&issue=2011-12&num=&view=>

4. Homelessness includes living on the streets, car, makeshift dwelling, couch surfing, caravan and temporary accommodation includes hotel/motel, crisis accommodation, shelter, boarding house, and staying with family and/or friends.

5. ABS, Census of Population and Housing: Estimating homelessness, 2011, accessed on 8 March 2016, at <http://abs.gov.au/ausstats/abs@.nsf/Latestproducts/2049.0Main%20Features-22011?opendocument&tabname=Summary&prodno=2049.0&issue=2011&num=&view=>

6. See endnote 2.

7. Children include those who are already in school and younger than 17 years of age.

90 More than half of all respondents resided in private rental (42%) or were paying off a mortgage (9%). Of these, almost all experienced housing stress (90%), with 68% experiencing extreme housing stress¹

\$200 Respondents paid \$200 per week² in housing and accommodation expenses, almost two-thirds (62%) of their equivalised disposable income³

16 16% of respondents were homeless or living in temporary accommodation⁴

1/4 Risk of homelessness was evident among:

- Private renters – one in four individuals currently homeless were previously private renters
- Aboriginal and Torres Strait Islander peoples and households with children – approximately one-quarter experienced overcrowding (a precursor for homelessness)⁵

43 43% of respondents who are currently homeless or living in temporary accommodation experienced persistent homelessness for at least a year

35 35% of all respondents moved house in the past 12 months; One in eight respondents currently homeless or living in temporary accommodation had moved at least six times in the past 12 months

34 Family violence was the main reason (34%) for women to move in the past 12 months

79 Overall, for respondents affected by family violence:

- 79% were experiencing extreme housing stress and used more than three-quarters of their equivalised disposable income⁶ for housing and accommodation expenses
- Those who had moved house in the past 12 months due to family violence tended to be female, aged between 35–44 years old, single with children, and reliant on government income support (parenting payment single)

53 53% of respondents reported their children⁷ had to change schools when their family moved due to family violence



PART 3

INCOME SOURCE & EMPLOYMENT

83 83% of respondents were recipients of government income support, 5% were in either full or part time employment and 3% had no income

55 55% of respondents who were looking for work experienced persistent unemployment and had been out of work for 12 months or more

1/4 More than a quarter of jobseekers claimed prolonged unemployment made it harder for them to find a job, and 16% of respondents looking for work reported a lack of jobs in their local area as the main barrier to gaining employment

67 67% of respondents who were completely out of the labour force identified a physical and/or mental health condition as the main reason preventing them from gaining employment

PART 4

FINANCIAL HARDSHIP & DEPRIVATION

1/2

could not afford
up-to-date school items

“In Australia, 2.5 million people continue to live below the poverty line (including more than 603,000 children).”

— ACOSS

“10% of Australians report that they cannot afford to buy enough food. This share has increased somewhat over the past years.”

— OECD

\$15.71 Respondents who received government income support had **\$15.71 per day (\$110 a week⁸)** to live on after paying for housing or accommodation expenses

\$14.29 Newstart recipients were worst off, with only **\$14.29 per day (\$100 a week⁹)** to live on after paying for housing or accommodation expenses

1/2 Due to financial hardship: one in two respondents cut down on basic necessities, accessed emergency relief vouchers, and borrowed money from friends/family and 40% had gone without meals

29 When respondents ran out of money: 29% sold or pawned their belongings and 19% applied for a loan through payday lenders

87 87% of adults and 57% of households with children reported severe deprivations and went without five or more essential items.¹⁰ 88% did not have \$500 in savings for emergencies and 63% could not afford dental treatment

8. Median per week, rounded to the nearest dollar.

9. Median per week, rounded to the nearest dollar.

10. Essential items for adults are defined according to indicators of disadvantage developed by Saunders, Naidoo and Griffiths (2007) and The UNICEF Child Deprivation Index. Severe deprivation is defined as missing out on 5 or more essential items.

PART 5

CHILDREN & YOUNG PEOPLE



11. Out of those children aged 0 – 15 years old whose family is renting private. Calculations only apply for single/couple households with children and excluding those with negative estimated money left (accommodation expenses higher than equivalised disposable income).

12. PWI categories include: Standard of living, health, achievement, personal relationships, safety, community, future security, spirituality/religion, overall life satisfaction.

13. Respondent Personal Wellbeing Index mean = 49.38 compared to the National Wellbeing Index mean =75.31

2/3
1/2
1/5

For households with children aged 17 or younger:

- More than two thirds of respondents could not afford out of school hobby or leisure activities for their child(ren)
- Half could not afford up-to-date school items, provide money to participate in school activities or a home internet connection
- One in five could not afford medical treatment and medicine prescribed by a doctor, and two in five could not afford a yearly dental check-up for their child(ren)

Parents' low access to resources for employment and higher income increased the risk of poverty and exclusion to their children. Children of these families who are aged between 0-15 years are:

8
84
93

- Almost eight times less likely to have access to internet and 13 times less likely to have access to motor vehicle compared to average Australian children
- Almost all children are in households of the bottom income quintile (less than \$415/week)
- 84% are in jobless families, and 93% are facing high rent and low income situation¹¹

More than

1/2

respondents could not afford an internet connection for their child(ren)

“Digital literacy – the ability to use information and communications technology (ICT) such as computers and the internet – underpins a nation’s capacity to provide individuals and groups with equity of access to social opportunity, and is a necessity for participation in the Digital Economy.”
— *Innovation & Business Skills Australia (IBSA) (2013)*

PART 6 WELLBEING

<26 Respondents experienced significantly lower scores on the Personal Wellbeing Index (PWI)¹² compared to the National average (nearly 26 points)¹³

- ! Newstart recipients and individuals who were homeless or living in temporary accommodation were found to be the most disadvantaged groups. They experienced higher levels of deprivation, housing insecurity, and lower personal wellbeing scores compared to all other respondents



RECOMMENDATIONS

The Salvation Army welcomes recent Victorian Government investments in family violence and the Roadmap for Reform that commit to preventative and early intervention strategies for vulnerable families and individuals. Alongside these positive directions, funding allocated to TAFE and other education and training initiatives that target currently disadvantaged groups help to grow the opportunities available to struggling Victorians.

The Salvation Army makes the following recommendations in response to the key themes and issues identified in our research regarding lack of financial resources, housing affordability, disadvantage and social exclusion:



01 The Victorian Government strongly advocate with the Commonwealth to increase current levels of income support payments, especially allowances such as Newstart and Youth Allowance.

02 In order to address the chronic shortage of affordable housing, the Victorian Government should invest in a wide range of strategies that increase social housing stock and alleviate extreme housing stress for low income renters.

03 To increase the level of employment participation, the Victorian Government should invest in community managed mental health programs that facilitate recovery, wellbeing and social connectedness.

04 The Victorian Government should explore a range of initiatives that address educational disadvantage amongst children, including access to extra-curricular activities and technology.

\$15.71
per day to live on

FAMILY VIOLENCE

was the primary reason that women (34%) moved in the last 12 months

8 out of 10 women experienced extreme housing stress

Respondents escaping family violence spent more than three-quarters of their income on housing and accommodation expenses

ONE in TWO

respondents cut down on basic necessities

1/2

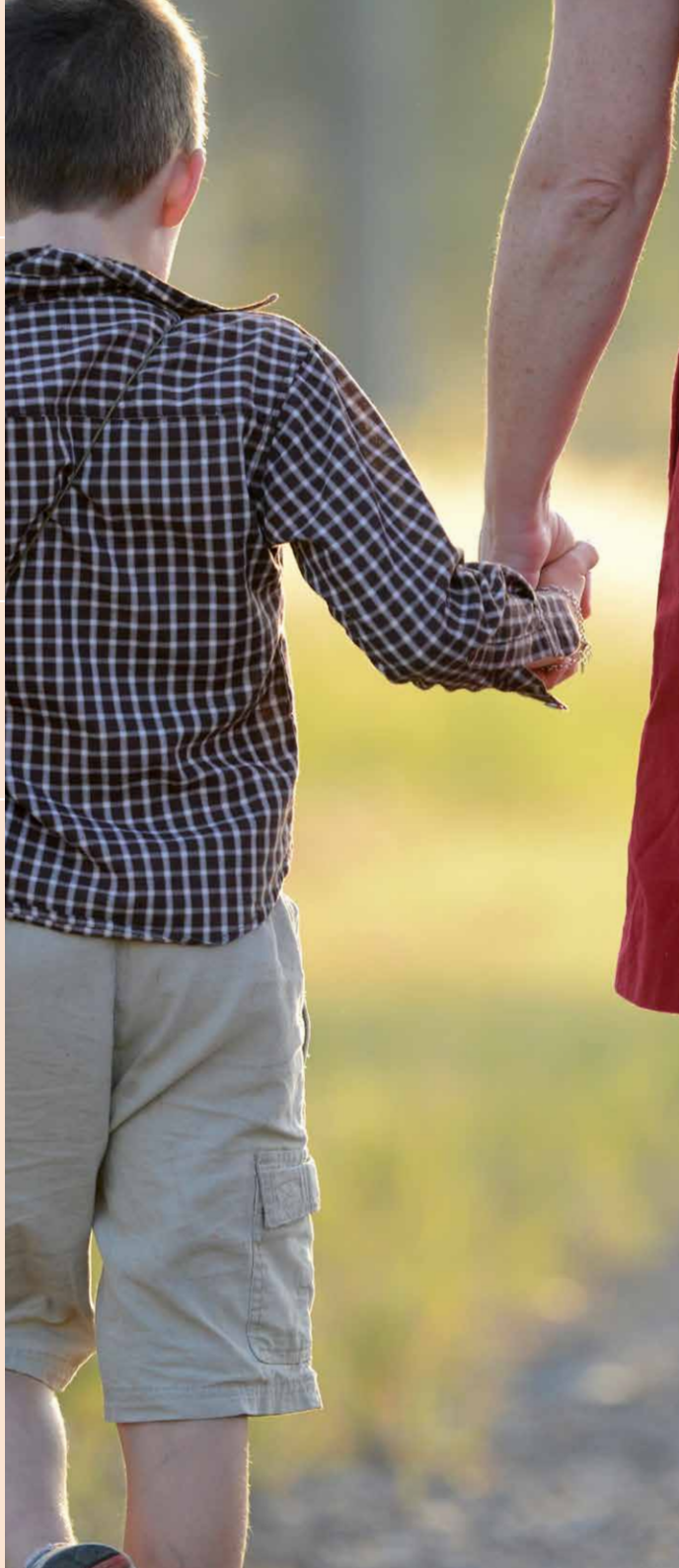
half accessed emergency relief vouchers

1/2

half borrowed money from friends/family and

40
%

had gone without meals



A woman in a red dress is walking away from the camera, carrying a blue suitcase. The background is a soft, out-of-focus landscape with a warm, golden light, suggesting a sunset or sunrise. The woman's legs and the suitcase are the primary focus in the lower half of the frame.

**“I want my children to
be safe from violence
and to have a good
life for themselves.”**



Acknowledgements

The Salvation Army would like to thank the many people across Victoria who participated in the survey. This report is the culmination of many individuals' day-to-day struggles to make ends meet. Thank you for your courage and willingness to share your experiences so honestly with us.

The Salvation Army also extends our gratitude and appreciation to all the officers, staff and volunteers at Salvation Army services who worked hard to promote and support the success of this survey. Thank you.

The images in the report were taken by Adam Hollingworth-Hired Gun Photography. Each photo tells its own story and captures the experiences for many disadvantaged Australians. Thank you.

This survey was a joint initiative of The Salvation Army Australia Southern and Eastern territories. This survey was solely funded by The Salvation Army.

For information regarding copies of this publication please contact:

The Salvation Army

Victoria Social Programme and Policy Unit (VSPPU)

vsppu@aus.salvationarmy.org

(03) 9353 5200