



Payment adequacy: a view from those relying on social security payments



This paper was developed by the national network of Councils of Social Service based on research conducted by EMC Media. The report was written by Jacqueline Phillips, Director of Policy at ACOSS based on research conducted by EMC Media and with input and advice from policy staff in the Councils of Social Service.

The COSS Network collaborates to achieve shared goals of a fair, inclusive and sustainable Australia. We are committed to working together to seek the best outcomes for people affected by poverty, disadvantage and inequity.

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Introduction

Research released by ACOSS late last year showed that 2.5 million people in Australia are living below the internationally accepted income poverty line.¹ This figure includes 603,000 children.

One of the key factors driving poverty in Australia is the inadequacy of income support payments, particularly for people who are young, unemployed, have a disability or are raising children alone. Specifically, the ACOSS Poverty Report found that the people most likely to be living in poverty are those who are unemployed (61.2%), or in a household that relies on social security as its main source of income (40.1%) and particularly on the Newstart Allowance (55.1%) or Youth Allowance (50.6%). This is largely explained by the fact that many social security payments fall below the poverty line, even with Rent Assistance and other supplementary payments added to household income.

The effects of poverty on those who experience it can be severe. This report reveals that many people living below the poverty line are being forced to make trade-offs between basic needs - rent or groceries; clothing or medical bills; electricity or transport – and often being forced to go without. For children, the impact of deprivation on development can be serious and life-long.

Reducing poverty in Australia should be an imperative for all governments.

Two pillars of an effective anti-poverty strategy are: employment opportunities, training and support; and adequate income support payments for those unable to find or participate in paid work. For this reason, ACOSS has long advocated an increase to the lowest income support payments, the \$37 per day Newstart Allowance and the \$30 per day Youth Allowance. This call has been broadly supported by the community and business sectors, both of which recognise that poverty is not a pathway to participation.

Last year, the Government appointed Mr Patrick McClure to lead a Reference Group overseeing a review of the welfare system focused on working age payments ('The Welfare Review'). The Reference Group's Final Report noted that many stakeholders raised concerns about adequacy during the consultation process:

In particular, stakeholders pointed to the increasing gap between pensions and allowances. Concerns were raised that payments may be too low to support income support recipients to fulfil their desire to find work and to address the needs of those who receive an allowance, but who due to only having a partial capacity to work, may never be able to work full time.²

Despite these concerns, the Reference Group did not recommend a specific increase to payment rates. It noted that, "there is no simple formula for determining an appropriate level of assistance to achieve basic adequacy" and instead concluded that:

Reforms to re focus the system towards employment are seen by the Reference Group as the best way of improving people's current circumstances and financial prospects. This means ensuring that

¹ The poverty line used in ACOSS' *Poverty in Australia* report is 50% of median household income (half of the 'middle' income for all households). This poverty line, also used by the OECD, equates to a very austere living standard: a disposable income of less than \$400 per week for a single adult (higher for larger households to take account of their greater costs).

² Reference Group on Welfare Reform, *A New System for Better Employment and Social Outcomes*, Commonwealth of Australia, 2015, page 77.

the primary focus of the income support system is to support people to move towards employment and self reliance where possible.

The new payment architecture proposed by the Reference Group would likely result in payment increases for some people, but could involve losses for others. As the Reference Group did not make specific recommendations about payment rates, it is impossible to assess whether the new payment structure will ensure people have adequate incomes to meet the essential costs of living. Significantly, the new proposed payment structure would not appear to improve the circumstances of current Newstart and Youth Allowance recipients who are assessed as having full capacity to work or study, despite the financial hardship this group is experiencing.

The Reference Group did recommend the establishment of an independent mechanism to regularly review the adequacy of payments to ensure payment rates keep up with community living standards and cost of living increases over time. The Councils of Social Service support the establishment of such an independent mechanism. We believe the review body should be authorised to consider the adequacy of *all* payment rates and indexation methods across the income support system. However, though important and necessary, this mechanism would not provide any immediate relief for those currently struggling on lower payments below the poverty line or those with higher costs of living experiencing poverty at unacceptable levels. For this reason, we advocate an immediate increase of \$50 per week in allowance payments, complemented by investment in effective employment training and support programs.

This report paints a bleak picture of the challenges faced by people locked out of paid work. With general unemployment now above 6% and youth unemployment at 14% (and much higher in some regional areas), it is a timely reminder of the need to invest in effective employment services and supports, including in youth transitions programs which prevent young people from falling through the cracks.

While the 2014 Welfare Review focused on working age payments, a previous review led by Dr Jeff Harmer considered the Age Pension, Carer Payment and Disability Support Pension as part of the wider tax and transfer review. The final report noted the diversity of circumstances amongst pensioners, but noted that a number of groups experienced poor outcomes fairly consistently, including single people; those in private rental; those with high health or other related costs; and those who lived in areas in which the cost of living was particularly high.³

The Councils of Social Service believe that the lived experience of people relying on income support must be given due weight and respect in the development of new policy directions. We commissioned this research to enable the voices of people relying on income support to be heard and given serious consideration in the current welfare and pension reform debates.

³ Dr Jeff Harmer, *Pension Review Report*, 27 February 2009, Department of Families, Housing, Community Services and Indigenous Affairs, February 2009, available at: https://www.dss.gov.au/sites/default/files/documents/05_2012/pensionreviewreport.pdf.

Research Methodology

This research was conducted by EMC Media on behalf of the national network of Councils of Social Service.

An online survey, hosted by Research Now, was in the field from the 10th to 15th December 2014.

The survey fieldwork was conducted by Research Now. Data tables were prepared by Essential Research.

The target population for this research was Australian social security recipients. Participants were drawn from the Research Now online research panel.

The survey was completed by 613 respondents. Unless otherwise stated the base for each table is 613.

Although the sample broadly represented the Australian population of social security recipients, the sample was weighted so that it was proportionally reflective.

Quotas were placed on age, gender and location.

A note on the survey demographics

Only 6% of survey respondents identified as 'unemployed and looking for work'; the vast majority having some employment (whether full-time, part-time, casual or self-employed) and nearly half (48%) retired. Of those who identified as 'unemployed', 58% reported being unemployed for more than 1 year.

A comparison of survey respondents with total social security recipients nationally (using Department of Social Services data) suggests that a higher proportion of respondents received some private income in addition to their social security payment and that the survey group has higher incomes overall than the general population of people who rely on social security payments (see Appendix C). This may be explained by the fact that the survey was conducted online, with respondents recruited to join an online research panel via online and other promotions. Respondents are therefore more likely to have access to a computer and the internet, and may have higher levels of education and literacy.

The largest group of survey respondents is those receiving the Age Pension (44%), compared with 15% receiving the Disability Support Pension, 13% receiving the Newstart Allowance, 7% receiving the Parenting Payment and 6% receiving the Youth Allowance.

Women comprise 55% of the sample (55%). Twenty-three percent are households with children, including 5% single parent households.

Most respondents live in the Eastern states (79%), with only 7% of respondents from South Australia, 3% from Tasmania, 8% from Western Australia, less than 1% of respondents from the Northern Territory and no respondents from the Australian Capital Territory.

Nine per cent of the survey are under 25 years of age, 31% between 25 and 65 years and 38% over 65 years.

For more information on survey reliability, see Appendix A. Detailed survey demographics are contained in Appendices B and C.

Executive Summary

This report is based on a direct survey of people receiving income support payments and identifies the challenges involved in making ends meet. In particular, it highlights the inadequacy of some income support payments and the difficult decisions people are required to make about how to manage their limited finances when faced with competing needs.

The report also demonstrates the different levels of disadvantage experienced by recipients of different payment types. Unsurprisingly, this report consistently finds that although many on the Age Pension are forced to live frugally, those on working age payments, including Newstart/Youth Allowance, Parenting payments and Disability Support Pension, are struggling to a far greater extent.

Key findings

Adequacy of payments

- 83% of respondents receiving the Newstart or Youth Allowance do not consider it to be enough to live on.
- This compares with 80% of respondents receiving the Disability Support Pension, 73% of respondents receiving Parenting Payment and 78% of respondents overall.
- Less than a quarter of total surveyed social security recipients (22%) consider their government payment to be enough to live on. Nearly half of all Newstart and Youth Allowance recipients said their payment fell ‘far short’.

Housing Stress

- More than a quarter of respondents receiving the Newstart Allowance are in ‘housing crisis’: spending more than 50% of their incomes on housing costs.
- 52% of Newstart and Youth Allowance recipients are spending more than 25% of their incomes on housing. A concerning proportion (10%) of this group are spending more than three-quarters of their income on housing.
- High levels of housing stress are also evident among people receiving the Disability Support Pension (25% paying more than 50% of income) and Parenting Payment (24% paying more than 50% of income).
- Age Pension recipients are less at risk of housing stress or crisis due to higher rates of home ownership. 72% own their homes outright and just 7% pay half their income or more on housing. However, the situation is different for Age Pensioners in the private rental market who experience greater financial stress, a key finding of the Harmer Review (noted above).

Income sources

- Respondents receiving the Disability Support Pension are most likely to rely solely on that payment, with 65% of respondents on that Pension not receiving any additional income.
- Almost half of respondents relying on Newstart and Youth Allowance rely solely on their payment (48%).

Capacity to save

- More than one in four respondents relying on the Newstart payment spends more money than they receive each week, with another 48% reporting to 'break even'.
- A similar proportion of respondents receiving the Disability Support Pension and Parenting Payment report spending more than they receive each week (25% and 24% respectively).
- Those reporting the least capacity to save are respondents receiving the Newstart and Youth Allowances, with only 23% of respondents indicating they could save each week.

Perceptions of living standards

- One in five respondents receiving the Newstart or Youth Allowance reported not having enough money for basic essentials like housing, food and electricity.
- A significant proportion of respondents receiving the Newstart Allowance/ Youth Allowance (40%) or Disability Support Pension reported that they had enough money for basic essentials but nothing extra. Note that this group includes 52% of people receiving the Newstart/Youth Allowance and 35% of people receiving the Disability Support Pension who receive other income in addition to their government payment (i.e. this question asked respondents to comment on their overall financial situation, not the adequacy of government payments to meet living costs.) The capacity of people who rely exclusively on income support payments to make ends meet is much more limited.
- 73% of respondents receiving the Disability Support Pension and 63% of those receiving the Newstart Allowance reported that their income had fallen behind the cost of living in the last two years.
- 32% of respondents receiving the Newstart or Youth Allowance would describe themselves as poor or very poor, with equal numbers in each sub-group (compared to 9% of respondents receiving the Age Pension). Nearly one in four respondents receiving the Disability Support Pension would describe themselves in this way.

Financial stress and deprivation

- Nearly half of all respondents receiving the Newstart and Youth Allowances and more than a third of respondents receiving the Disability Support Pension have unsustainable levels of personal debt, reporting that they owe more than they can afford. This contrasts to just 13% of Age Pensioners.
- The top five most common items that respondents had gone without in the last 12 months due to lack of finances were: 1. Buying Christmas presents⁴ (31%); 2. Dental appointments or procedures (30%); 3. Car Service (27%); 4. Buying presents for a loved one's birthday (22%); and 5. Medical appointments or procedures (19%).
- More than half of respondents receiving the Disability Support Pension reported not being able to afford to buy Christmas presents.
- 43% of respondents receiving the Disability Support Pension and 37% of respondents receiving the Newstart or Youth Allowance reported not being able to afford dental appointments or procedures in the last twelve months.
- Nearly one third of respondents (32%) receiving the Disability Support Pension reported that they had gone without meals in the last 12 months in an effort to save money. Significant proportions of people receiving the Newstart or Youth Allowance (24%) and Parenting Payment (19%) also missed meals during the period.
- The majority of all respondents receiving working age payments reported turning off heating or cooling in an effort to save money.

⁴ Please note that this poll was conducted in the weeks leading up to Christmas 2014.

Section 1: Adequacy of Payments

1.1 Not enough to live on

\$240 per week is not even enough to pay for housing let alone gas, water, electricity, fuel, rates, insurances, let alone food. I want to be able to survive on my own without begging for food, it's shattering to know that I can only eat what charities give me, I have no control over my own life.⁵

Eighty-three per cent of respondents receiving the Newstart or Youth Allowance do not consider it to be enough to live on. This compares with 80% of respondents receiving the Disability Support Pension, 77% of respondents receiving Parenting Payment, 73% of those on the Age Pension and 78% of respondents overall.

Less than a quarter of total surveyed social security recipients (22%) considers their government payment to be enough to live on. The proportion of Allowance recipients who consider their payment enough to live on is only 17%. Of Newstart/Youth Allowance recipients surveyed, nearly half said that the payment falls far short.

It is important to note in interpreting these results that those who have some private income and receive a part payment may have responded by reference to the adequacy of their part payment alone. This could explain the high percentage of Age Pensioners who describe their payments as inadequate (73%), noting that only 31% of these respondents rely on the payment as their only source of income (see below).

Figure 1.1: Do you consider your government payment to be enough to live on?

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Yes	22%	27%	18%	19%	17%	23%	15%
No, it's not quite enough	41%	44%	38%	43%	37%	24%	41%
No, it falls far short	37%	29%	43%	37%	46%	49%	42%
Don't know	1%	-	1%	1%	-	4%	3%

⁵ Survey respondent and income support recipient.

1.2 Housing stress

Almost all of my payment is used up with rent alone. I have \$25 a week spare, so I have to really budget other things and work as much as possible. ⁶

More than a quarter of respondents receiving the Newstart Allowance are in ‘housing crisis’: spending more than 50% of their incomes on housing costs. Fifty-two per cent of Newstart and Youth Allowance recipients are spending more than 25% of their incomes. A concerning proportion (10%) of this group are spending more than three-quarters of their income on housing.

High levels of housing stress are also evident among people receiving the Disability Support Pension (25% paying more than 50% of income) and Parenting Payment (24% paying more than 50% of income).

Age Pension recipients are less at risk of housing stress or crisis due to higher rates of home ownership – 58% of Age Pensioners surveyed do not pay for housing while just 7% pay half their income or more on housing. This accounts for the relatively high overall proportion of respondents who do not pay for housing. However, we know that the circumstances of those receiving the Age Pension are diverse and that many Age Pensioners in the private rental market face considerable financial stress (as confirmed by the Harmer Pension Review, see above).

Figure 1.2: How much of your income is spent on housing?

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Nothing (don't pay for housing)	39%	58%	24%	20%	23%	19%	33%
Less than 25%	16%	15%	16%	13%	19%	10%	18%
25-50%	23%	13%	31%	36%	26%	41%	29%
50-75%	10%	5%	15%	20%	15%	13%	9%
75%+	5%	2%	7%	5%	11%	11%	3%
Don't know	7%	8%	6%	6%	6%	6%	8%

⁶ Survey respondent and income support recipient.

1.3 Reliance on government payments

As noted above, a higher proportion of respondents received some private income in addition to their social security payment and the survey group has higher incomes overall than the general population of people who rely on social security payments (see Appendix C). Overall, 39% of respondents rely solely on their government payment, 23% rely mostly on their payment, 14% indicated they relied equally on social security and private income and 14% indicated they received most of their income from private sources.

Respondents receiving the Disability Support Pension are most likely to rely solely on that payment, with 65% of respondents on that Pension not receiving any additional income.

Almost half of respondents relying on the Newstart or Youth Allowance rely solely on their payment (48%).

Figure 1.3: How much of your income is made up by government payments?

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
All: I rely solely on government payments	39%	31%	46%	65%	48%	19%	34%
Most: government payments make up most of my income, but I do have other income	23%	29%	18%	17%	16%	17%	24%
About half: My income is a mixture of government payments and other income	14%	17%	11%	10%	12%	9%	11%
Only some: I get most of my income from other payments	22%	21%	22%	5%	20%	49%	30%
Don't know	2%	2%	3%	2%	4%	7%	1%

1.4 Capacity to save

It is isolating I overspend as this is the only way I have any social life or contact with other people. Since retiring I don't chat with those people on the tram stop or on the tram, I don't talk to people all day long as I used to. I have to go out to get my need for people contact satisfied, and lunches and coffees cost money.⁷

More than one in four respondents relying on Newstart or the Youth Allowance spends more money than they receive each week, with another 48% reporting to 'break even'.

A similar proportion of respondents receiving the Disability Support Pension and Parenting Payment report spending more than they receive each week (25% and 24% respectively).

Those reporting the least capacity to save are those relying on the Newstart and Youth Allowances, with only 23% of respondents indicating they could save each week.

Figure 1.4: Over the time you have been receiving government payments, which best describes your weekly finances?

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
I spend more money than I receive	21%	15%	25%	25%	27%	24%	23%
I break even most weeks	43%	40%	46%	48%	48%	30%	48%
I am able to save some money most week	30%	39%	22%	25%	16%	33%	25%
I am able to save a lot of money most weeks	4%	3%	4%	1%	7%	6%	3%
Don't know	3%	3%	2%	1%	2%	7%	1%

⁷ Survey respondent and income support recipient.

Section 3: Perceptions of Current Living Standards

2.1 Enough to live on

One in five respondents receiving the Newstart or Youth Allowance reported not having enough money for basic essentials like housing, food and electricity.

A significant proportion of respondents receiving the Newstart Allowance/ Youth Allowance (40%) or Disability Support Pension reported that they had enough money for basic essentials but nothing extra. However, it is important to note that this group includes 52% of Newstart/Youth Allowance, and 35% of people receiving the Disability Support Pension who receive other income in addition to their government payment (i.e. this question asked respondents to comment on their overall financial situation, not the adequacy of government payments to meet living costs). This is likely to explain the different response to question 1.1 (above).

Figure 2.1: How would you describe your personal financial situation?

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
I don't have enough money for basic essentials, like housing, food and electricity	9%	3%	14%	12%	20%	13%	10%
I have enough money for basic essentials, but nothing extra	32%	23%	40%	47%	40%	29%	37%
I have enough money for basic essentials and can afford the odd luxury like going out to dinner	42%	52%	35%	31%	31%	44%	39%
I am financially comfortable and can afford to do things like travel	15%	21%	10%	8%	8%	13%	13%
Don't know	1%	2%	1%	2%	1%	1%	-

2.2 Falling behind

The household bills increase[e] too much. The pension does not go up at the same rate as all the household and general living expenses have been increasing.

Everything increases at an alarming rate except the pension, this puts a great amount of stress on family relations causing unnecessary arguments.

Electricity and rental rates keep rising as does the price of fuel, gas anything to use or run in a house. Yet income has stayed the same or dropped lower.⁸

Seventy-three per cent of respondents receiving the Disability Support Pension and 63% of those receiving the Newstart Allowance reported that their income had fallen behind the cost of living in the last two years.

Age pensioners were more likely to think that their income had kept pace with the cost of living (31% compared with 21% of other payment recipients).

These findings are interesting given that the Age Pension and Disability Support Pension are both currently indexed to wages or the Pensioner and Beneficiary Living Cost Index (PBLCI), whichever is higher, while Allowances are indexed only to the Consumer Price Index (CPI). The high costs of disability are likely to be a factor in the response by recipients relying on the Disability Support Pension.

Figure 2.2: In the last two years, do you think your income has:

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Gone up more than the cost of living	7%	3%	10%	5%	13%	13%	11%
Fallen behind the cost of living	62%	61%	63%	73%	63%	46%	61%
Stayed even with the cost of living	26%	31%	21%	18%	17%	33%	24%
Don't know	5%	5%	6%	5%	7%	9%	4%

⁸ Survey respondent and income support recipient.

2.3 Financial situation

I fear some weeks that I won't be able to afford my medications, to see my specialists and therapists, the equipment I need, which then also takes a long time to receive. After that I still need to be able to afford fuel for the car and groceries. Despite living in public/community housing...⁹

Thirty-two per cent of Newstart and Youth Allowance recipients would describe themselves as poor or very poor, with equal numbers in each sub-group. Nearly one in four people receiving the Disability Support Pension would describe themselves in this way.

The largest proportion of overall respondents (47%) would describe themselves as 'just getting along' when thinking about their current needs and financial responsibilities.

Those receiving the age pension were far more likely to describe themselves as comfortable (48%) and far less likely to describe themselves as poor (9% compared to 32% of Newstart/Youth Allowance recipients).

Figure 2.3: Given your current needs and financial responsibilities, would you describe yourself as:

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
TOTAL Comfortable	35%	48%	25%	17%	23%	25%	35%
TOTAL Poor	17%	9%	24%	23%	32%	17%	16%
JUST GETTING ALONG	47%	43%	51%	59%	44%	54%	48%
Very comfortable	3%	2%	4%	3%	3%	4%	4%
Comfortable	32%	46%	21%	14%	20%	21%	31%
Poor	10%	7%	13%	15%	16%	10%	8%
Very poor	7%	2%	11%	8%	16%	7%	8%
Don't know	<1%	-	<1%	-	-	3%	-

⁹ Survey respondent and income support recipient.

2.4 Most stressful aspect of managing on income

When asked what they found most stressful about managing on their income in the last 12 months, respondents highlighted:

- The rising cost of living
- Being able to pay 'bills' (utilities)
- Rent and or housing
- Medical expenses

Although these were common responses, another key theme to emerge was 'uncertainty', the 'fear' and the stress that comes from living so close to financial crisis.

Section 3: Measures of Financial Stress

3.1 Debt levels

*Financial pressure, the bills keep coming in and there is just enough money to cover them, but when the unexpected ones come along that's when it becomes near impossible to survive on a pension, I feel like putting a gun to my head nearly every day now.*¹⁰

Nearly half of all respondents receiving the Newstart and Youth Allowances and more than a third of respondents receiving the Disability Support Pension appear to have unsustainable levels of personal debt, reporting that they owe more than they can afford. This compares with just 13% of respondents relying on the Age Pension.

Figure 3.1: In terms of your own level of personal debt do you:

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
TOTAL: Owe MORE than I can afford	26%	13%	36%	37%	44%	28%	30%
owe a lot more than I can afford	11%	4%	17%	16%	22%	11%	14%
owe a little more than I can afford	15%	9%	19%	21%	22%	17%	16%
owe about what I can afford	24%	22%	26%	24%	23%	44%	25%
owe less than I can afford	6%	5%	6%	4%	5%	9%	8%
I do not have debts	44%	60%	31%	35%	28%	19%	37%

¹⁰ Survey respondent and income support recipient.

3.2 Trouble paying for items

The top five most common items that respondents had gone without in the last 12 months due to lack of finances were:

- 1 Buying Christmas presents¹¹ (31%)
- 2 Dental appointments or procedures (30%)
- 3 Car Service (27%)
- 4 Buying presents for a loved one's birthday (22%)
- 5 Medical appointments or procedures (19%)

More than half of respondents receiving the Disability Support Pension reported not being able to afford to buy Christmas presents.

Forty-three per cent of respondents receiving the Disability Support Pension and 37% of people receiving the Newstart or Youth Allowance reported not being able to afford dental appointments or procedures in the last twelve months.

One in four respondents receiving the Newstart or Youth Allowance and 29% of respondents receiving the Disability Support Pension reported not being able to afford medical appointments or procedures in the last 12 months.

Figure 3.2: Have you forgone or put off any of the following in the last 12 months due to a lack of finances? Please select all that apply.

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Buying Christmas presents	31%	21%	38%	52%	40%	37%	23%
Dental appointments or procedures	30%	24%	35%	43%	37%	36%	23%
Car Service	27%	20%	32%	36%	29%	39%	29%
Buying presents for a loved one's birthday	22%	14%	29%	40%	29%	27%	18%
Medical appointments or procedures	19%	12%	25%	29%	25%	21%	22%
Urgent home repairs	17%	18%	16%	19%	14%	23%	12%
Paying utility bills on time	17%	8%	24%	24%	26%	31%	19%
Urgent car repairs	16%	8%	23%	26%	21%	20%	22%
Eating Meals	15%	6%	23%	28%	24%	19%	17%

¹¹ Please note that this poll was conducted in the weeks leading up to Christmas 2014.

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Paying back a debt to a family member or friend	14%	3%	23%	21%	29%	34%	12%
Paying phone bills on time	14%	4%	21%	25%	26%	23%	10%
Buying prescribed medication	12%	6%	17%	25%	14%	19%	11%
Paying back a debt to another lender	11%	4%	17%	13%	23%	19%	13%
Paying outstanding fines	7%	1%	12%	9%	14%	20%	7%
Making rent or mortgage payments	6%	1%	10%	8%	17%	13%	3%
Paying for a child's school expenses (such as an excursion or sports equipment)	4%	-	8%	4%	8%	13%	10%
None of these	35%	47%	25%	20%	27%	21%	31%

3.3 Actions taken to meet financial needs

Forty per cent of respondents receiving the Parenting Payment, 39% of respondents receiving the Newstart or Youth Allowance and 32% of respondents receiving the Disability Support Pension reported having had to borrow money from family and friends in the last twelve months to meet their financial needs.

More than one in four respondents receiving the Parenting Payment had to sell an item of value to make ends meet.

Figure 3.3: In the last 12 months have you had to do any of the following to meet your immediate financial needs? Please select all that apply.

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Borrow money from family or friends	20%	4%	32%	32%	39%	40%	18%
Sell an item of value (i.e. a car, jewellery or electronics)	14%	6%	20%	18%	21%	26%	19%
Use the services of a charity or welfare agency	10%	3%	15%	16%	21%	13%	7%
Trade in goods at Cash Converters or similar	9%	3%	13%	12%	20%	11%	7%
Increase the limit on an existing credit card, or take out a new card	7%	2%	12%	11%	10%	16%	13%
Take out a short-term pay day loan	6%	1%	9%	4%	12%	16%	7%
None of these	47%	64%	34%	39%	33%	26%	32%

3.4 Actions taken to save money

Nearly one third of respondents (32%) receiving the Disability Support Pension reported that they had gone without meals in the last 12 months in an effort to save money. Significant proportions of people receiving the Newstart or Youth Allowance (24%) and Parenting Payment (19%) also missed meals during the period.

The majority of all working age payment recipients reported turning off heating or cooling in an effort to save money.

More than one in ten respondents receiving the Newstart or Youth Allowance or Parenting Payment left their accommodation to move in with family or friends in an effort to save money. Similar proportions pulled out of a course of study for the same reason.

Question: In the last 12 months have you done any of the following in an effort to save money or because of your financial situation?

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Gone without meals	16%	6%	24%	32%	24%	19%	19%
Turned off heating or cooling	48%	41%	54%	59%	56%	54%	48%
Left your accommodation and moved in with family or friends	4%	-	8%	2%	12%	11%	6%
Pulled out of a course or other study	5%	*	9%	8%	11%	10%	6%
None of these	46%	59%	36%	34%	34%	36%	40%

3.5 Ability to quickly raise a large sum of money

Only 23% of people receiving the Disability Support Pension reported being able to raise \$2000 in a week for something important. For people receiving the Newstart Allowance, the figure was 36%.

This compares with those receiving the Age Pension, two-thirds of who said they could raise the money.

Question: If all of a sudden you had to get \$2000 for something important, could the money be obtained within a week?

	%	Age Pension <i>N=270</i>	Non-Age Pension <i>N=344</i>	Disability Support <i>N=94</i>	NewStart/ Youth Allowance <i>N=117</i>	Parenting Payment <i>N=41</i>	Other Payment <i>N=91</i>
Yes	50%	66%	38%	23%	36%	50%	50%
No	32%	17%	44%	59%	43%	37%	34%
Don't know	18%	17%	18%	18%	21%	13%	16%

3.6 Concern about the cost of household expenses

For Newstart and Youth Allowance recipients, the household expenses of most concern were:

1. Electricity and transport (both 62%)
2. Health and medical services (59%)
3. Food (56%)
4. Internet (53%)
5. Water (49%)
6. Mortgage or rent (47%)

Recipients of the Disability Support Pension reported the highest levels of concern about the cost of health and medical expenses (72%), electricity (71%), and food (62%).

Table: Total concerned about different household expenses, by payment type

'Total Concerned'	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Electricity	59%	49%	68%	71%	62%	71%	69%
Health or medical expenses	56%	44%	65%	72%	59%	62%	65%
Transport (petrol, car, public transport)	48%	36%	58%	59%	62%	57%	53%
Food and groceries	46%	31%	57%	62%	56%	60%	51%
Home insurance	45%	41%	48%	46%	43%	47%	57%
Water	42%	34%	48%	46%	49%	50%	50%
Internet	37%	23%	48%	48%	53%	45%	40%
Telephone	36%	22%	46%	51%	46%	42%	43%
Gas	32%	23%	39%	37%	34%	40%	45%
Mortgage or rent	30%	10%	44%	44%	47%	56%	35%
Education	18%	1%	32%	21%	31%	57%	31%

As a proportion of all respondents, the household expenses of most concern were:

- 1 Electricity (59%)
- 2 Health or medical expenses (56%)
- 3 Transport (petrol, car, public transport) (48%)
- 4 Food and groceries (46%)
- 5 Home insurance (45%)

The difference between age pensioners and those on other payments is stark. On average, those receiving working age payments were more than 22% more likely to be concerned about each of the issues. Even with items such as education and mortgage/rent removed (which those receiving the age pension were more likely to state they did not have as a cost), the average difference in concern was more than 19%.

Question: How concerned or unconcerned are you about meeting the current costs of each of the following specific expenses for your household? (All respondents)

	%	Very concerned	Quite concerned	Not very concerned	Not at all concerned	Don't know	Household does not have this expense
Electricity	59%	24%	35%	22%	14%	2%	2%
Health or medical expenses	56%	21%	35%	29%	13%	1%	1%
Transport (petrol, car, public transport)	48%	15%	33%	33%	16%	2%	1%
Food and groceries	46%	19%	27%	34%	18%	1%	<1%
Home insurance	45%	15%	30%	26%	14%	3%	12%
Water	42%	14%	28%	28%	22%	2%	6%
Internet	37%	12%	25%	41%	19%	2%	1%
Telephone	36%	11%	25%	40%	21%	2%	2%
Gas	32%	14%	18%	20%	13%	2%	34%
Mortgage or rent	30%	14%	16%	17%	11%	2%	41%
Education	18%	7%	11%	11%	11%	2%	58%

Appendix A: Survey Reliability

Properly constructed sample surveys can provide results that are described as statistically reliable. The level of statistical reliability is dependent upon the sample size and (except where it is extremely small) the size of the population has no practical effect.

A survey that has 1000 respondents will provide results that are – at the 95% confidence level – subject to a sampling variation of between 2% and 3% at the total response level. Sub-samples, because of their smaller size, will exhibit larger sampling variances. The following table shows the sampling variances at the 95% confidence level for a range of sample sizes and response levels.

Sample Size	Variation where the answer is near the percentage of				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
100	6%	8%	9%	9%	10%
200	4%	5%	6%	7%	7%
300	3%	5%	5%	6%	6%
400	3%	4%	4%	5%	5%
500	3%	4%	4%	4%	4%
600	2%	3%	4%	4%	4%
700	2%	3%	3%	4%	4%
800	2%	3%	3%	3%	3%
900	2%	3%	3%	3%	3%
1000	2%	3%	3%	3%	3%

Overall the confidence level was set as 95%. In this report where variation in sub-samples is statistically significant a comment has been made.

For the purposes of simplicity we have rounded percentages to the nearest whole number. This may result in some percentage totals being 99% or 101%.

Appendix B: Basic survey demographics

Marital status	
Single	23%
Partnered	60%
Separated/Divorced	10%
Widowed	8%
Other	*

Gender	
Male	45%
Female	55%
Other	*

Location	
Melbourne	21%
Other VIC	6%
Sydney	20%
Other NSW	18%
Brisbane	8%
Other QLD	6%
Darwin	<1%
Other NT	-
Adelaide	6%
Other SA	1%
Hobart	1%
Other Tasmania	2%
Perth	5%
Other WA	3%
ACT	2%

Age	
Under 18	-
18-25	9%
26-30	6%
31-45	8%
46-50	6%
51-55	3%
56-60	3%
61-65	5%
66-70	6%
70-75	11%
75+	21%

Appendix C

Section 1: Extended Demographics

3.7 Welfare payment

Question: Do you receive any of the following types of government benefits?

	%
Age pension	44%
Service pension	3%
Disability Support Pension	15%
Carer Allowance	11%
Austudy/Abstudy	1%
Newstart Allowance	13%
Youth Allowance	6%
Parenting Payment	7%
None of these	-

3.8 Household composition

Question: What is the composition of your current household?

	%
Person living alone	23%
Single person with children	5%
Couple only	42%
Couple with children	18%
Group/share household	7%
Other	5%

3.9 Dependent children

Question: How many dependent children do you have?

	%
None	77%
1	10%
2	8%
3	3%
4	2%
5	<1%
6+	<1%

3.10 Study

Question: Are you currently studying?

	%
Yes, full time	8%
Yes, part-time	9%
No	83%

3.11 Employment

Question: Which of the following best describes your employment status?

	%
Permanent, full-time	9%
Permanent, part-time	8%
Self-employed	3%
Casual (30+ hours per week)	1%
Casual (less than 30 hours per week)	6%
Contract	<1%
Retired	48%
Home duties	11%
Unemployed and looking for work	6%
Unemployed and <u>not</u> looking for work	3%
Other	4%

	%	Age Pension N=270	Non-Age Pension N=344	Disability Support N=94	NewStart/ Youth Allowance N=117	Parenting Payment N=41	Other Payment N=91
Permanent, full-time	9%	<1%	16%	3%	22%	31%	13%
Permanent, part-time	8%	3%	12%	8%	17%	14%	10%
Self-employed	3%	3%	4%	6%	4%	4%	2%
Casual (30+ hours per week)	1%	-	2%	-	2%	3%	3%
Casual (less than 30 hours per week)	6%	4%	8%	7%	9%	7%	8%
Contract	<1%	<1%	<1%	-	-	-	1%
Retired	48%	86%	18%	35%	2%	-	30%
Home duties	11%	3%	17%	17%	6%	33%	23%
Unemployed and looking for work	6%	-	11%	4%	27%	6%	2%
Unemployed and <u>not</u> looking for work	3%	<1%	5%	12%	2%	1%	3%
Other	4%	<1%	6%	9%	8%	-	4%

3.12 Length of time unemployed

Question: How long have you been looking for work? (unemployed respondents only)

	%
Less than 1 month	14%
1 to 3 months	21%
3 to 6 months	2%
6 month to 1 year	5%
1 to 2 years	32%
2 to 5 years	15%
5+ years	11%

3.13 Education

Question: What is the highest level of education you have attained?

	%
Year 10 or below	18%
Year 11 or equivalent	5%
Year 12 or equivalent	16%
Still attending school	1%
Trade certificate or apprenticeship	11%
Diploma, certificate etc.	23%
Bachelor or Honours degree	19%
Post-graduate qualifications (e.g., Masters, PhD)	5%
Other – please specify	1%

3.14 Income

Question: What is the total net weekly income from all sources – including pensions and allowances – your household receives?

	%
\$2,000 or more per week (\$104,000 or more per year)	4%
\$1,600-\$1,999 per week (\$83,200-\$103,999 per year)	4%
\$1,300-\$1,599 per week (\$67,600-\$83,199 per year)	6%
\$1,000-\$1,299 per week (\$52,000-\$67,599 per year)	9%
\$800-\$999 per week (\$41,600-\$51,999 per year)	12%
\$600-\$799 per week (\$31,200-\$41,599 per year)	18%
\$400-\$599 per week (\$20,800-\$31,199 per year)	25%
\$250-\$399 per week (\$13,000-\$20,799 per year)	12%
\$150-\$249 per week (\$7,800-\$12,999 per year)	4%
\$1-\$149 per week (\$1-\$7,799 per year)	3%
No income	3%
Negative income	1%

3.15 Housing

Question: Which of the following best describes your housing situation?

	%
I own my home outright	48%
I have a mortgage on my home	14%
I rent	27%
I live with family (at no charge)	6%
I live in public housing	3%
I live in an assisted living or aged care facility or similar	1%
I am homeless	-
Other	1%

	%	Age Pension <i>N=270</i>	Non-Age Pension <i>N=344</i>	Disability Support <i>N=94</i>	NewStart/ Youth Allowance <i>N=117</i>	Parenting Payment <i>N=41</i>	Other Payment <i>N=91</i>
I own my home outright	48%	72%	32%	20%	13%	45%	72%
I have a mortgage on my home	14%	9%	13%	11%	47%	16%	9%
I rent	27%	14%	43%	43%	30%	27%	14%
I live with family (at no charge)	6%	*	1%	20%	9%	6%	*
I live in public housing	3%	1%	9%	4%	1%	3%	1%
I live in an assisted living or aged care facility or similar	1%	3%	-	-	-	-	3%
I am homeless	-	-	-	-	-	-	-
Other	1%	1%	2%	1%	-	3%	1%