

Submission to the Community Affairs Legislation Committee

Inquiry into the extent and nature of poverty in Australia

3 February 2023

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to provide the 100 Families WA *Insights into hardship and disadvantage in Perth, Western Australia* summary report and the WACOSS and UnionsWA *Low Pay Report 2022* to the Community Affairs Legislation Committee's inquiry into the extent and nature of poverty in Australia.

WACOSS is the peak body for the community services sector in Western Australia and works to create an inclusive, just and equitable society. We advocate for social and economic change to improve the wellbeing of Western Australians, and to strengthen the community services sector that supports them. WACOSS is part of a network consisting of National, State and Territory Councils of Social Service, who advance the interests of people on low incomes and those made vulnerable by the systems that have been put in place.

The *100 Families WA* project was a collaborative research project between lived experience representatives; WACOSS; Anglicare WA; Jacaranda Community Centre; Wanslea Family Services; Centrecare; Ruah Community Services; Uniting WA; Mercycare; the Centre for Social Impact, the University of Western Australia, the UWA Social Policy, Practice and Research Consortium; and the UWA School of Population and Global Health.

The project utilised a combination of longitudinal quantitative data, fortnightly qualitative interviews with family members, and linked administrative data together with active engagement of those with lived experience in the design of the study to develop a comprehensive picture of entrenched disadvantage in Perth, Western Australia.

Baseline surveys with 400 family representatives experiencing entrenched disadvantage took place between November 2018 and April 2019. From the 400 people that completed the survey, 100 that indicated interest were selected to take part in fortnightly interviews for a year, beginning in May 2019. By conducting research alongside these families, the project was able to better understand, through their experiences, what current efforts to alleviate disadvantage are working, what is not working, and what needs to change. The full report and other research published by the project can be accessed here: <https://100familieswa.org.au/resources/cat/reports/>.

An extension of this work is the *Ngala Moorts Waangkinny* project, which is further exploring the data from Aboriginal families and conducting yarning circles with the families involved in the initial project. This project is due for completion in April 2023.

The *Low Pay Report 2022* by WACOSS and UnionsWA provides an insight into the experience of workers in Western Australia who are earning low and inadequate wages. The report utilized an original survey instrument consisting of 13 questions designed to assess participants' employment status, rate of pay, annual household income, weekly disposable income, job security, financial stress and weekly budget priorities. In total there were a maximum of 1,394 respondents. After weighting, 178 survey respondents were classified as 'low-waged' workers, with an annual household income before tax that was lower than \$52,000.

This report demonstrated that workers on low wages in Western Australia do not consider that their wages are increasing by the same proportion as their living costs, placing them in a state of financial stress or hardship. 66.3 per cent of respondents with an annual household income before tax that was lower than \$52,000 reported that they had \$100 or less a week after meeting their essential costs. 34.3 per cent reported that they had \$50 or less a week after meeting their costs each week, which was the highest response for that income group.

WACOSS would be happy to provide further information to the Committee on this research if it would be of assistance to your inquiry.

Yours sincerely,

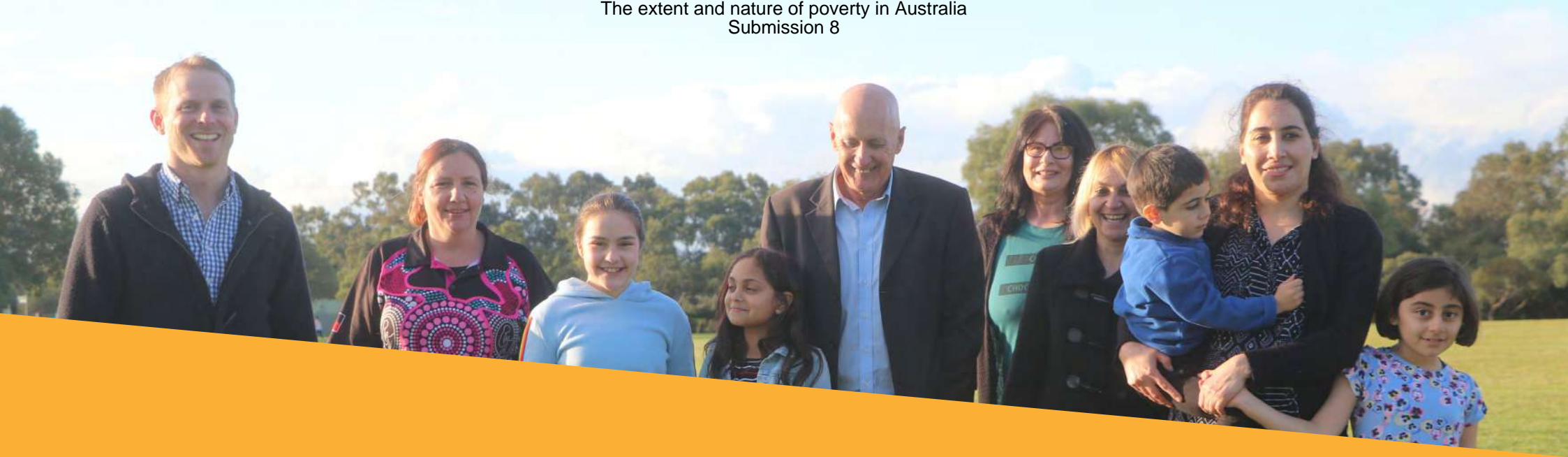
Louise Giolitto
Chief Executive Officer
WACOSS



100 Families WA

Summary Report





Acknowledgments

This project would not be possible without the willingness and generosity of the 400 families who took part, gave us a window into their lives and shared their stories with us.

This summary report has been prepared by a 100 Families WA Working Group consisting of representatives from the Community Advisory Group, community service sector partner organisations and the University of Western Australia.

Acknowledgment of Country

In the spirit of reconciliation, we acknowledge that the 100 Families WA project was undertaken on Whadjuk/Noongar land, and that Noongar people remain the spiritual and cultural custodians of their land, and continue to practise their values, languages, beliefs, and knowledge. We acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Lived experience foreword

“Struggle has always been around my family for as long as I can remember. It’s time we speak up and do something.”



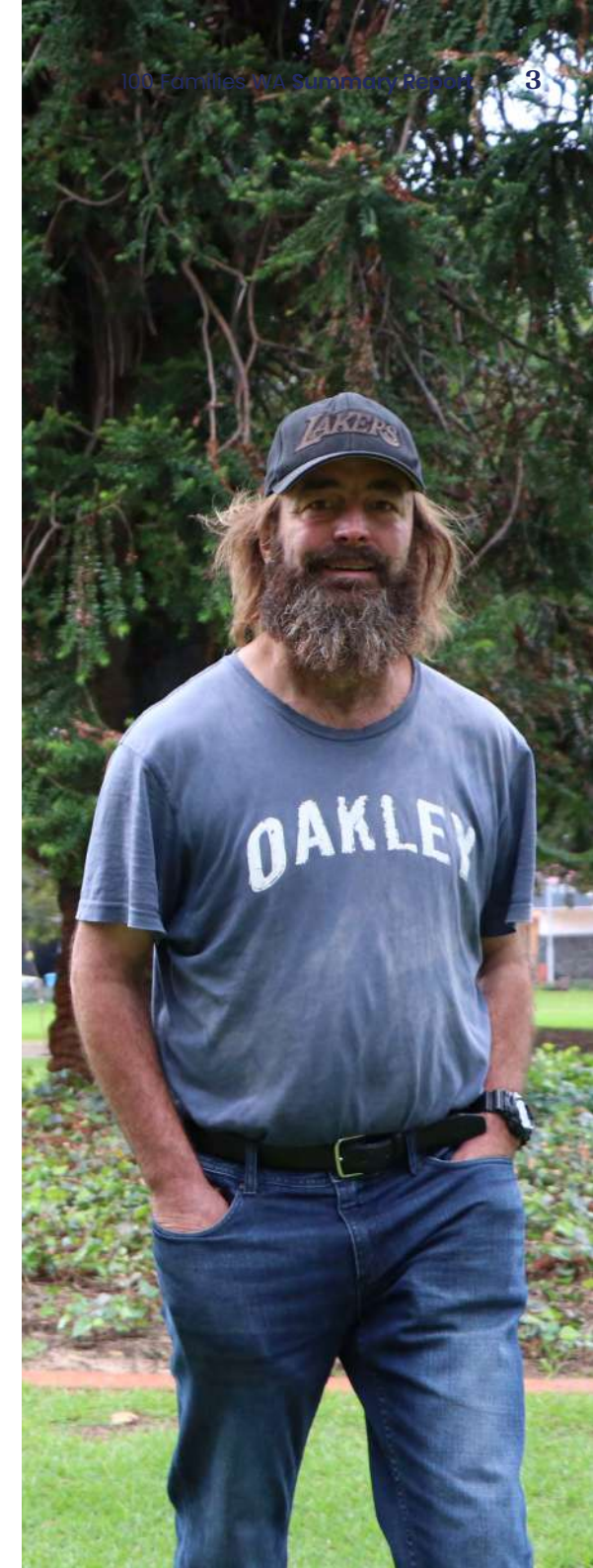
Excitement, hopefulness and apprehension were amongst the feelings experienced by family members when we were invited in mid-2018 to participate in the 100 Families WA Research Project. We are people who have accessed various support services and agencies in and around Perth. Many of us were desperate already and had lost hope things could get better.

We want what every human wants, a safe home, adequate food and resources for ourselves and our families, access to healthcare and opportunities to pursue connection, purpose and to be treated with dignity.

This three-year project has felt like a long and uncertain journey, however many of us have been living with uncertainty, scarcity and exclusion for our entire lives, some of us for generations. Our hope is that having shared our stories, our expertise and advice, others will gain insights and commit to engage with our lived experience beyond seeking to simply service our immediate needs.

We invite you now to begin to reimagine and redesign systems and processes, policies and legislation so that people and families stuck in entrenched disadvantage can realise a new and hopeful future. Many of us are keen to continue helping you to do this.

➡ [For the full Lived Experience Foreword see the 100 Families WA Full Report](#)



Importance of this project and how this document should be read

This document serves as a bridge to connect you with the voices of the families and walk you through the key findings. It then presents calls to action and some ideas as to where you might go from there.

While other examples of research exist in this space, the importance of this project and its evidence cannot be understated. The evidence, findings, and calls to action come directly from the experiences of the 400 families who took part. This scale of engagement has not been carried out in Australia before and it is this that makes the project unique and the evidence important.

A clear message that families repeatedly gave before, during and after their engagement with interviewers was **'how will my information be used to make a difference?'**. It is through this lens and in the context of your own influence and responsibility that this document should be read.

Project background

100 Families WA is a unique research project made up of a collaboration between seven not-for-profit agencies, researchers at The University of Western Australia (the Centre for Social Impact, School of Population and Global Health, and the Social Policy Practice and Research Consortium), the Community Advisory Group (CAG); comprising of members who hold lived experience of entrenched disadvantage, and the Western Australian Council of Social Services (WACOSS).

By conducting research alongside 400 families, we have been able to better understand, through their experiences, what current efforts to alleviate disadvantage are working, what is not working, and what needs to change. This project's overarching goal is to develop an evidence base that can inform the community, service sector, and state and federal governments, on how we can work together to address entrenched disadvantage.



How we engaged with families

To better understand the experiences of families living in disadvantage, how these experiences impact on their day to day lives, their interaction with service and policy systems, as well as the part community plays (or could play), the following activities were undertaken:

Quantitative data

- Baseline survey (n=400)
- Wave 2 survey (n=255)
- COVID-19 supplement (n=158)

Qualitative data

- Fortnightly interviews (n=100)
- Four focus groups
- Interviewer debriefs
- Interviewer reflection

Who are the families?

Diversity amongst the 400 families who took part was broad. Their varying backgrounds and lived experiences are unique to them and so, while we draw out commonalities, themes and groups, we should always look to treat people as the individuals they are.



69%
of family members were female



33%
family members identified as **Aboriginal or Torres Strait Islander**



44 years
is the mean age
(range is 18-75 years old)



13%
were employed

Household composition



27%

Adults live alone

19%

Adults live with other adults

25%

Adults live with 2 or more adults and children

26%

Single adults with children

55% Have children in their care or household



43%
did not complete high school but

34%
hold a non-school qualification of TAFE Certificate III or above.





Key Research Findings

- 1 Multiple and compounding adverse life events deeply entrench disadvantage
- 2 Families draw on a range of formal services and informal supports to try and get their basic needs met but still face multiple barriers to access
- 3 Families' positive service experiences involve being listened to, respected and supported according to their particular circumstances and needs
- 4 Families positively contribute to society above and beyond labour market participation
- 5 Families continue to bear the burden of stigmatisation



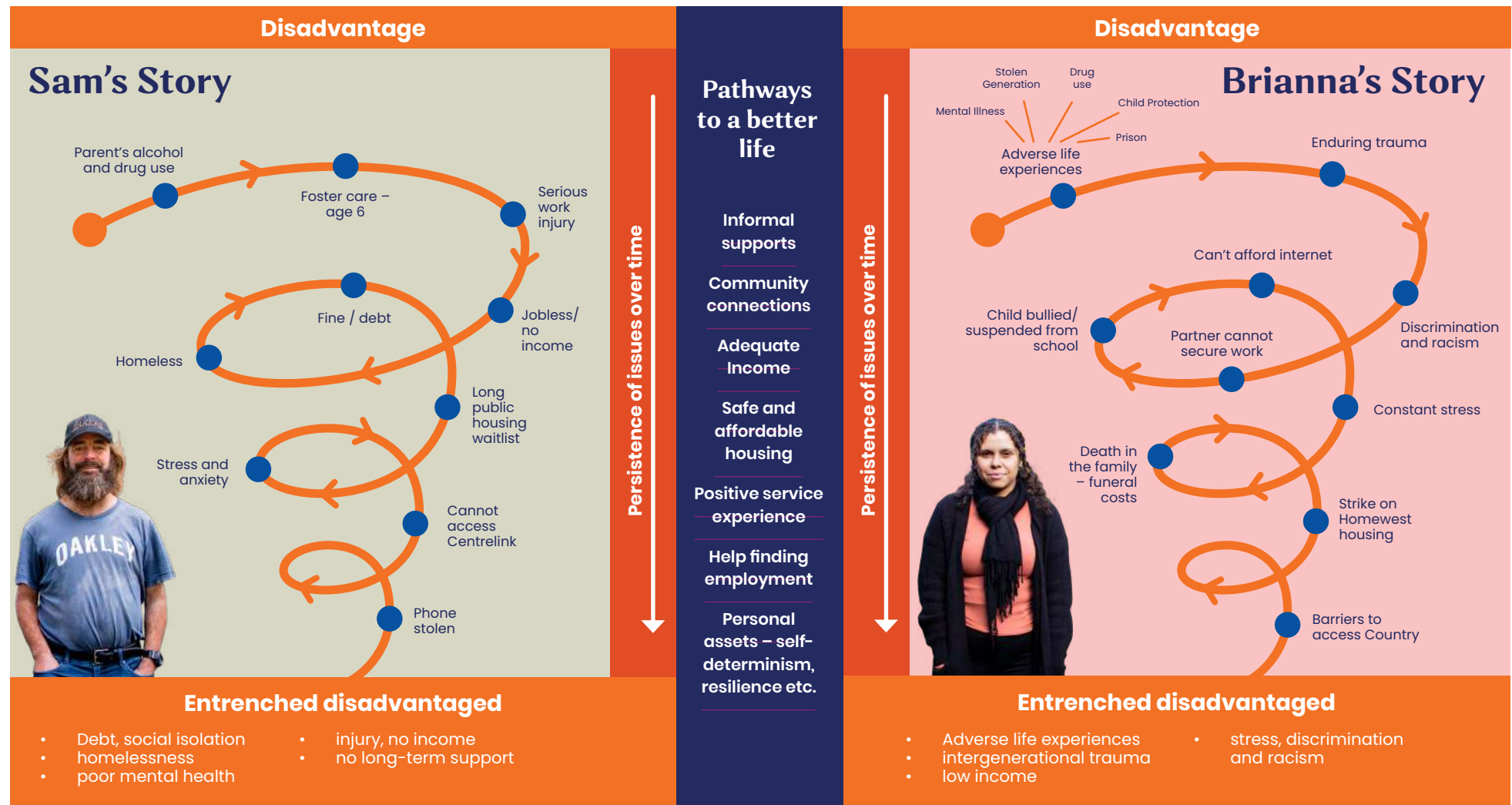
Calls to Action

- 1 Support people to identify and achieve their life goals – their way
- 2 Elevate the role and amplify the voice of people experiencing disadvantage
- 3 Ensure every Australian has access to adequate income to meet their basic needs
- 4 Build and strengthen local community networks and supports
- 5 Challenge stigma
- 6 Create a safe, supportive environment for people
- 7 Make it easy as possible for people to access support when they need it
- 8 Prioritise and develop trusted and enduring relationships
- 9 Invest in prevention and early supports
- 10 Recognise the value of caring roles and other contributions to society

What is entrenched disadvantage?

Entrenched disadvantage is characterised by persistent low income and negative life experiences across multiple areas of wellbeing, including physical and mental health, employment, housing, education, safety and social inclusion. People's pathways into entrenched disadvantage are varied and complex, distinguished by a series of interlocking and compounding challenges that make everyday life very difficult.

Exiting entrenched disadvantage is not a simple nor easy process. Families need holistic, innovative and wide-ranging flexible supports that allow them to make improvements to their lives. Where these pathways are not present or are insufficient to the individual's needs and there is an absence of early intervention and preventative measures, over time families risk slipping further into their disadvantage and becoming stuck or entrenched.



* Sam's and Brianna's stories are made up of a composite of families experiences. To learn more and see these stories in full visit www.ourworld.100familieswa.org.au.



finding
1

Multiple and compounding adverse life events deeply entrench disadvantage

“My kids and I have never known any different. Life just happens. Sometimes it is very bleak and then every now and then a ray of sunshine breaks through”







Adverse life experiences can act as pathways into disadvantage, and adding to this, those who experience disadvantage are more likely to face certain adverse experiences in their lives.

Of the 400 family members that completed the baseline survey:

51.8%	experienced homelessness
24.3%	experienced foster or out of home care
18.3%	experienced having their own child/ren removed from their care
78.0%	experienced domestic violence (as victim, perpetrator, or witness)
22.8%	experienced prison as an adult
84.3%	reported diagnosis of at least one chronic health condition
69.3%	reported diagnosis of at least one mental health condition
20.5%	have a permanent, physical disability that limits their mobility

A combination of adverse life events, the trauma associated with the experience/s, and broader structural factors can create significant barriers to exit from disadvantage. Structural factors may include how resources are distributed across the population, how people relate to each other, and how institutions, agencies and programs are organised through policies, legislation and processes. This interplay of factors, coupled with persistent low-income, can significantly constrain people’s ability to secure a better future for themselves and their families.

Families face difficult choices when it comes to their basic human rights, such as:

 <p><i>Reducing debt</i></p>	 <p><i>Paying bills</i></p>	 <p><i>negotiate discounted rates for school fees</i></p>
OR	OR	OR
 <p><i>Treat chronic physical and mental health conditions</i></p>	 <p><i>purchasing essentials (e.g. groceries, medication)</i></p>	 <p><i>go without basic services and items such as internet at home or new school clothes for their children.</i></p>

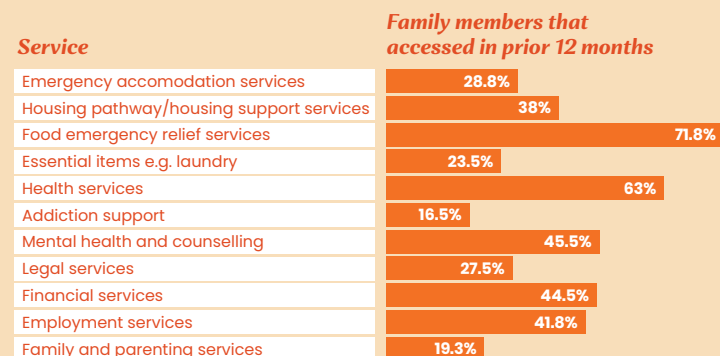
Despite families’ active attempts to improve their situations, they continue to face significant barriers in one or more major areas of well-being including mental and physical health, housing, education, safety, jobs and social relationships. Families are acutely aware that their standard of living falls short of what most Australians consider to be acceptable. They want more for themselves and, especially, more for their children.

finding 2

Families draw on a range of formal services and informal supports to try and get their basic needs met but still face multiple barriers to access

“[We] keep getting told this was not the appropriate service as we ‘don’t fit criteria.’ We were told we are in the ‘grey areas’, ‘not their problem’, ‘can’t help and can’t suggest who can.’”

Families often exercise an incredible amount of resourcefulness to try and meet their basic needs in relation to safety, health, clothing, food, shelter, economic security and emotional wellbeing. Social networks and relationships can act as significant buffers against the impacts of entrenched disadvantage and provide tangible supports, such as assistance in finding a job, caring duties or emotional resources. However, when families have to navigate the complexities of the formal service system, they can become overwhelmed trying to find out what support is available to them and burn up the limited resources they have, such as money on transport costs, without any guarantee of increased support.



*many families accessed these services multiple times in this 12-month period.

Barriers to accessing formal and informal support



Personal circumstances

mental and physical health difficulties; experiencing stigma, shame and embarrassment when engaging with supports; and conflicting priorities and pressing commitments such as caring responsibilities, employment and study commitments.



Organisational factors

difficulty accessing information about what services are available, difficulty contacting services, services feeling unsafe or discriminatory, and services' hours of operation and availability of appointments.



Systemic factors

strict eligibility criteria, limitations on the number of times families can access services, unmet or complex needs not fitting neatly into service boxes, transport accessibility and affordability, and services closing due to a lack of sustainable funding.

Many families are disheartened by the lack of straight forward and flexible support options available to meet their needs. Current approaches are inherently shaped and constrained by policy and funding models as well as the capacity of individual workers and clients. A lack of integration across a complex web of services and supports results in families being referred from service to service, being turned away from services or trying the same approaches repeatedly, often incurring hidden financial and emotional costs. This can leave families feeling depleted, or for some, it can make them feel like giving up.

Families felt that while formal support services helped them to survive and maintain their circumstances (which they were grateful for), they could not meet their greater wish for transformational change: a better life for them and their family. They want a service system that responds to the whole person or family's circumstances and better addresses the underlying causes of disadvantage, as opposed to symptoms.

finding
3

Families' positive service experiences involve being listened to, respected and supported according to their particular circumstances and needs



“(Worker’s name) has been my angel. Even at times when I have been at my worst and I walk past (Agency name) just seeing her and that lovely smile makes my day. I swear there have been times, if she hadn’t been there, I wouldn’t have made it.”

Families have a range of fundamental human needs: to be listened to, to be supported, to be safe, to be treated fairly and with kindness, affordable housing and healthcare options, and income that enables them to meet their day-to-day living costs and maintain an acceptable standard of living.

Interactions with key services and systems such as health, housing, child protection, education, and justice can have a deep and ongoing impact on people. For some families, the sense of feeling vulnerable or not feeling understood makes the experience of interacting with services stressful, emotionally strenuous, and physically tiresome.

It makes a real difference when families feel they are treated with empathy and respect, when they are actively listened to, when connections are made and when their individual circumstances are taken into account. Trauma-informed and relationship-based principles and practice can help cultivate trust and respect, reduce tensions, enable the speaker to release their emotions and encourage the surfacing of information that is conducive to understanding and co-developing potential pathways for recovery and wellbeing.

A good foundational principle is that policies, programs or services that are targeted towards or disproportionately

affect people experiencing disadvantage should be developed in collaboration with them. Increasing the capacity and ability of services to listen to families, and adapt service offerings in line with their needs, requires flexibility and understanding on the part of funders, as well as skilled, empathetic staff with good knowledge of the options and opportunities available for family members.

“People need to be ready to change. If you try to push people at the wrong time they get their back up and it doesn’t help. So it’s important to have time and space to just get to know each other. That’s why drop in centres are so important. They provide a space where you can have a yarn and get to know each other. You know, it always amazes me, when you get to know someone and listen to their story, it starts to make sense why they are the way they are.”



finding 4

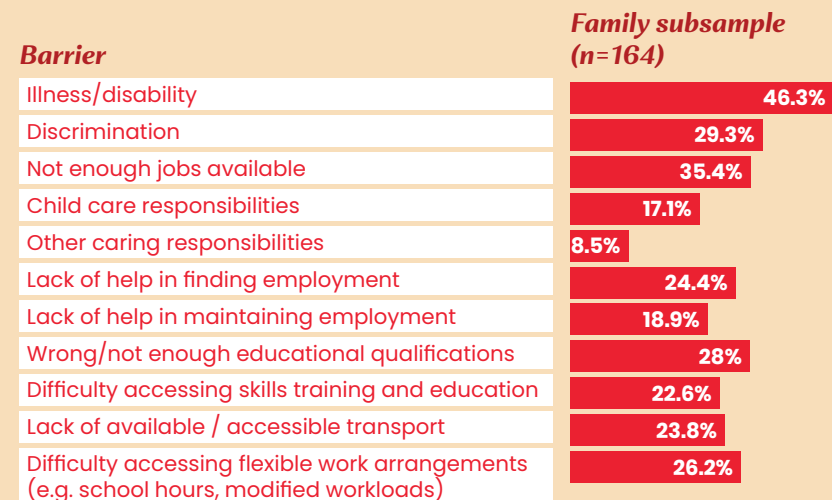
Families positively contribute to society above and beyond labour market participation



“I accept that getting a job is the best form of welfare, but the current approach is not very helpful. Work for the Dole programs are a joke, soul destroying with no real benefits. Most people want to participate in the workforce; it is about a lot more than the money. It is also about being productive and the pride that comes with that.”

Employment is not the only way for an individual to contribute to the economy and to society. Families expressed that they want the best for their families and want to be involved in achieving it for them. For many families, this involves being employed in meaningful and appropriate employment that recognises their skills and experience. However, not everybody can work, and not everybody can be working all the time. For those families who are able and want to work, systemic barriers often prevent them from realising this aim.

A fundamental issue of labour market programs is that they are based on the assumption that there are enough jobs for everyone and that everyone is able to work. This is in direct contradiction to the government fiscal policy that targets unemployment of 4–5% in order to control interest rates and inflation. Another significant underlying issue is the gross inadequacy of income support payments. Family members who receive unemployment benefits face increasingly punitive payment conditions that are frustrating, demotivating and lack positive outcomes.



Many families who aren't able to work in a traditional sense still expressed clear ways in which they participate in society, for example through the provision of support for loved ones. Grandparent carers, for example, take on caring responsibilities when their grandchild(ren)'s primary carers are not in a position to. Though in many cases they carry all the responsibilities of foster carers, they are not eligible for the same level of financial support.

People want and need the ability to choose what support they access and how they access it. In order to do this, they need multiple options that extend beyond traditional labour market participation.

“For the past 7 years I have been responsible for caring for my eldest, who has a disability, as well as an adult boarder with a disability (4 years), I was also caring for my youngest son who is now 7.”

finding
5

Families continue to bear the burden of stigmatisation

“It wears you down after a while. When you are treated like you don’t matter by so many people in so many ways it is hard to keep going and not give up. It sometimes seems better to withdraw into some corner somewhere with other people doing it tough like you and hide out from the world.”

Policies and programs have the potential to either heighten or lessen the shame that people feel as a result of living in disadvantage. From government speeches, reports and policy to mainstream media, education and everyday conversation, disempowering patterns of thought, language and practice continue to represent people living in hardship in terms of personal deficiencies and failures, perpetuating negative public narratives.

Political slogans like ‘the age of entitlement is over’ ‘leaners, not lifters’ and media portrayals of people dependent on support services as ‘dole bludgers’ and ‘welfare cheats’ deeply affect family members, depleting their self-esteem and sense of wellbeing.

People living in entrenched disadvantage do not want to be treated as defective, but as active, capable agents in their own lives and stories. They are keen to take responsibility and give something back to their communities. They want good things for themselves and their families. They want to be active citizens in a world where they can meet their own needs as well as access the support they need to overcome the challenges they experience along the way.



*The above headlines comprise of comments made by leaders in our community, including politicians, and were published on leading media channels.

“For someone like me who ended up in this mess, through no fault of my own, gets called a dole bludger or a shovel leaner in the press, it completely undermines your confidence and makes you doubt yourself”

“When you are on the streets you are invisible. People pass by and look right through you, as if you are not even there. No matter how moral a person is, you find yourself being reduced to doing things you have to, just to survive.”

“Sometime you can see it in the eyes of agency staff. They have already judged you and put you in a little box with a label on it. They don’t even really listen to your story”

“We are not stupid, we are not useless, we are not out to rip off the country. We have our challenges, like everyone else, but we want the best for our families. We want to be involved in developing the sort of supports that will help us move forward”



Calls to Action

Everyone – the Western Australian community, service providers and State and Commonwealth governments – can take action to address entrenched disadvantage and support and strengthen our communities.

1

Support people to identify and achieve their life goals – their way

Families are intimately familiar with their own circumstances and needs and hold valuable perspectives about what approaches would work for themselves and their communities.

2

Elevate the role and amplify the voice of people experiencing disadvantage

Families consistently reported that they often don't feel seen or heard in policy or practice settings and would like to add their voices and lived experience in designing, implementing and evaluating policies, programs and social change that impacts them.

3

Ensure every Australian has access to adequate income to meet their basic needs

The 100 Families WA evidence demonstrates the positive benefits that the Coronavirus Supplement had on family members, which ultimately supported them to live with greater dignity.

4

Build and strengthen local community networks and supports

Families draw on their relationships with family, friends, neighbours and community networks when available, for both practical assistance and emotional support to meet a variety of needs.

5

Challenge stigma

Family members continue to experience stigma and discrimination at individual, community, service and societal levels.

6

Create a safe, supportive environment for people

Safe, supportive environments can help reduce people's experiences of stigma and discrimination.

7

Make it easy as possible for people to access support when they need it

Family members reported a range of personal, organisational and systemic barriers to accessing formal and informal supports. Reducing these barriers can reduce the financial, emotional and time costs for families who are currently navigating multiple formal supports.

8

Prioritise and develop trusted and enduring relationships

Families' positive experiences of seeking support depends on being genuinely listened to and supported with care and understanding of their individual circumstances.

9

Invest in prevention and early supports

Policies, services and community-based programs focused on prevention and early support, in addition to crisis services, can help support people to solve issues before problems escalate.

10

Recognise the value of caring roles and other contributions to society

Recognising, valuing and supporting the multiple ways that family members contribute to their families and society can create social and economic benefits and reduce inequality.

Turning Awareness into Action

Community

In what ways can you connect and build relationships with others in your community?

For example, attending community events, or joining a social or sports club

In what ways can you help shape your community?

For example, voting, supporting advocacy campaigns, getting involved with local organisations, or peer support and consumer advocacy roles

How can we support each other as community members to ensure empathy, connection and kindness are the drivers of community?

Have you reflected on how you would like systems and services to help you achieve your life goals?

Community Services

What opportunities are there in your organisation for meaningful inclusion of people with lived/living experience?

For example, as part of your staff, committees, peer support roles, boards, organisational activities etc

How effective is your organisation at ensuring a safe and secure environment, both for staff and for families?

For example, through policies, trainings, engagement or the built environment

How does your organisation contribute to efforts to ensure all Australians have access to adequate income?

How is your organisation strengthening collaborations and connection in your community?

For example, with other not-for-profit organisations, local government, community groups and local people

How can your organisation reduce barriers to accessing support?

For example, through flexible opening hours, outreach, mobility and transport support, accessible information

Policy

How can we ensure policies and programs are informed by people with lived experience?

For example, through appropriate funding, genuine co-design, remuneration, support and development

Can eligibility criteria be more flexible and what would this involve?

For example, through flexible contracts, infrastructure and resources to support innovation

How can policymaking ensure increased recognition and value of the work of unpaid carers across genders and age groups?

How can income support payments be better designed to keep households out of poverty?

For example, through raising the rate, simplifying access, mutual obligations reform and better enabling early support and decision-making for individuals



Further Resources

100 Families WA Website

For more information on 100 Families WA and our full list of resources, news and updates, head over to www.100familieswa.org.au

'Welcome to Our World' online platform

An online tool that promotes greater awareness of what families living in disadvantage go through and what can be done to address this issue. www.ourworld.100familieswa.org.au

Speaking from Experience

In this six-part short video series, Renna and Keira address common questions faced on education, jobs, poverty and more 100familieswa.org.au/resources/cat/speaking-from-experience-series

Lived Experience Framework

Looking for a framework that helps you understand how to meaningfully partner with people who hold lived experience? Check this out... www.wacoss.org.au/library/lived-experience-framework-principles-practices-lived-experience-partnerships

Advocacy toolkit

Interested in using your voice to advocate towards change but not sure where to start. Check this out... www.wacoss.org.au/library/advocacy-toolkit/

Reports

For comprehensive information, insights and evidence, go to 100familieswa.org.au/resources/cat/reports



Bulletins

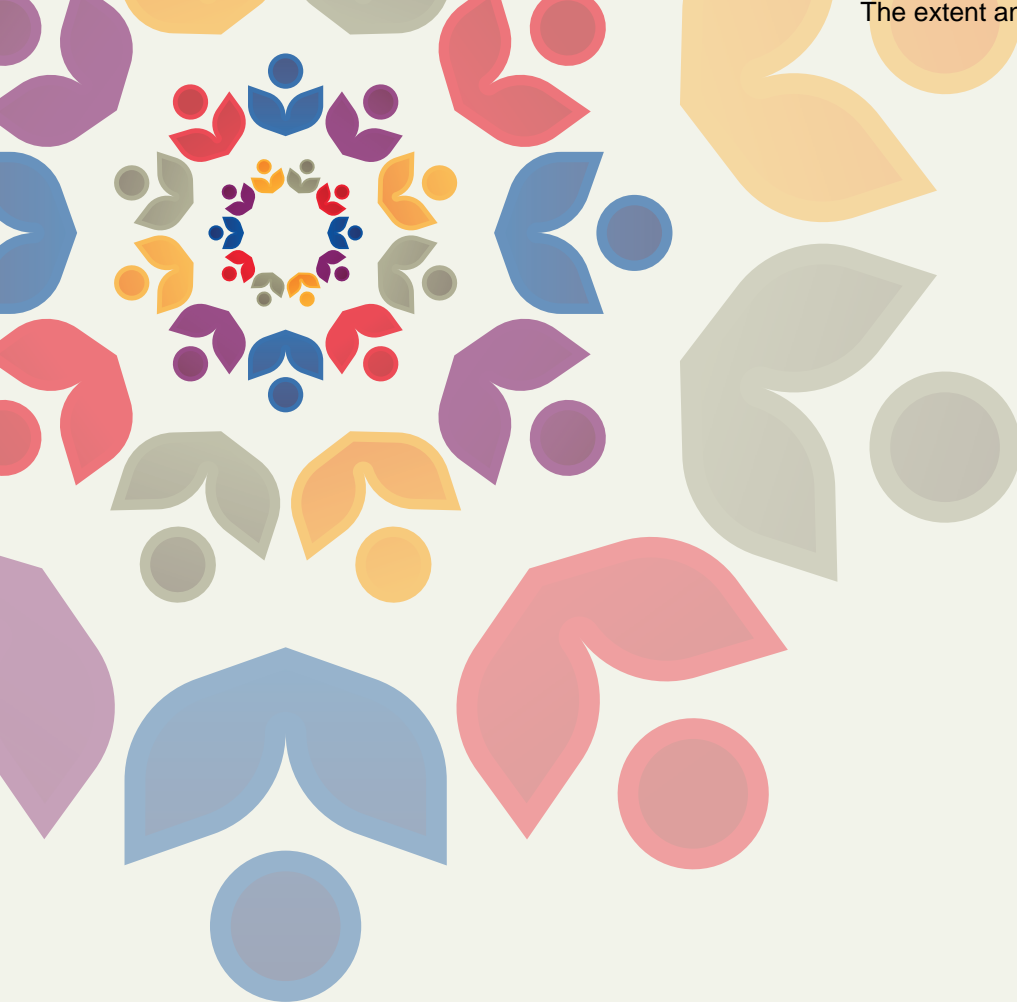
For more concise insights and findings on specific areas of disadvantage, access 100 Families WA Bulletins via 100familieswa.org.au/resources/cat/bulletin



Snapshots

key quantitative findings in specific areas of disadvantage, go to 100familieswa.org.au/resources/cat/snapshots/







Low Pay Report 2022

Acknowledgment of Country

The Western Australian Council of Social Service and UnionsWA respectfully acknowledge the Traditional Owners of Country throughout Western Australia and recognise their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to Elders both past and present. We acknowledge that the land on which we live and work always was and always will be Aboriginal land. Sovereignty was never ceded.

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Contents

Introduction	2
Recommendations	3
Methods	4
Quantitative Findings	6
Qualitative Findings	6
Discussion	13
Conclusion	14

Introduction

These are challenging economic times for Western Australian workers and families. Low-wage workers are confronting the reality of minimal or stagnant wage growth, while the cost of basic necessities continues to rise at skyrocketing rates. Meanwhile, Western Australia has one of the strongest performing jobs market of all states in the nation, recording its highest number of job vacancies in decades and an unemployment rate at an all-time low. What these 'strong' statistics mask, however, is the unevenness of the recovery from COVID-19 economic impacts and job losses and the fact that many Western Australians are still struggling to meet their household's basic needs.

Low-waged work can be transitional for some, such as young workers entering the labour market and progressing on to better paid jobs, but for others, it can make up the bulk, if not all, of their working life. Some people face a higher risk of low-waged work simply by virtue of their gender, ethnicity, educational attainment, or residency status.¹ Others face a higher risk of low-waged work because their skill-set and profession is located in lower-paid industries,² be it agriculture, accommodation and food services, social care services, or less regulated sectors like the gig-economy. Not all low-wage workers struggle with financial stress or hardship as they may pool their income with other, more highly paid, household members. Workers who rely entirely or substantially on low wages to cover basic living expenses for themselves or their families, however, may be vulnerable to persistent economic hardship.

Beyond a general picture of the local economy and labour market, there is scant information documenting low-waged work and workers in Western Australia. The latest report in Bankwest Curtin Economics Centre's Focus on the States Series, *Behind the Line: Poverty and disadvantage in Australia 2022*,³ demonstrates that access to paid work alone may not be enough to lift someone above the poverty threshold. This report revealed that nearly one in five people living in poverty in 2020 were in paid employment. Using a 50 per cent of equivalised median income poverty line, 8.8 per cent of Australians living in poverty were working full-time, as well as 10.8 per cent part-time workers.

The Western Australian Council of Social Service (WACOSS) and UnionsWA hope that the *Low Pay Report 2022* is able to fill the research gap in the underexplored area of low-wage work in Western Australia. It is based on the contributions of the 1,373 Western Australians who participated in our online survey and phone-based interviews. For the purpose of this study, we categorised workers whose personal income before tax is less than \$52,000 per year as low-wage workers in order to provide a fuller picture of this large, diverse group of workers (full details in the Methods section). Respondents described their financial stress and anxiety when trying to survive on their low wages, be it inadequate income to cover rising cost-of-living expenses or an emergency expense, an inability to save or to finance retirement. Many emphasised that their wages were not increasing at the same rate as their cost-of-living expenses.

The challenges facing workers at the lower end of the labour market extend beyond wage and income adequacy issues. As our companion research report, [Job and Wage Insecurity in Western](#)

¹ Grimshaw, D. (2011) *What Do We Know About Low Wage Work and Low Wage Workers?: Analysing the Definitions, Patterns, Causes and Consequences in International Perspective*. Geneva: ILO.

² Duncan, A. (2022) [Behind the Line: Poverty and disadvantage in Australia 2022](#), Bankwest Curtin Economics Centre Focus on the States Series, #9.

³ Ibid.

[Australia](#), shows, low-waged workers face a number of additional problems associated with insecure and precarious work. That report demonstrated the financial impact of insecure work, with 39 per cent of survey respondents indicating they were either going further into debt or barely meeting costs of living. Those in insecure jobs were three times more likely to hold down two or more jobs (17 per cent), compared with those in a secure job (5 per cent). Low-wage jobs are all too often low-quality jobs.

Public policy has a role in assisting economically vulnerable workers who rely on low wages to support themselves and their families. While there are many factors that influence job quality and workers' lives, there are a range of key interventions that can help ensure employment provides workers with the remuneration that is required to meet their needs and support a decent standard of living.

Recommendations

The following recommendations set out reforms that should be undertaken to directly increase the income of workers receiving low wages, but also to enable better access to well-paid and secure work. Reform is also necessary to ensure everyone in our community is able to affordably access essential goods and services, such as housing, food and energy, through direct measures that reduce living costs.

This report recommends that:

- National and State minimum wages are set at a level where they provide a liveable income.
- Access to income support payments, including JobSeeker and Commonwealth Rent Assistance, is improved and these payments are increased above the poverty line.
- It is made easier for all workers to exercise their rights to organise themselves collectively through their unions.
- Restrictions on multi-employer and sectoral collective bargaining are removed.
- Government procurement, funding policies and contracting practices are used to guarantee services are delivered by people employed in decently paid, unionised and more secure roles.
- The ability for casual and fixed-term contract employees to convert to permanent employment is strengthened, and a cap on consecutive fixed-term contracts is introduced.
- Sick leave entitlements are extended to casual workers.

Methods

Survey Background

WACOSS, UnionsWA and the Youth Affairs Council of Western Australia composed an original survey instrument consisting of 13 questions designed to assess participants' employment status, rate of pay, annual household income, weekly disposable income, job security, financial stress and weekly budget priorities. The survey consisted of both open-ended and close-ended questions. Open-ended questions were designed to provide additional qualitative data, focusing on respondents' views in relation to job security and its impacts, how their household is coping financially, and COVID-related impacts on the workplace.

Survey Distribution

In advance of the distribution of the survey, a pilot online survey was distributed in January 2022 to a sample of respondents. The full survey was launched in late January 2022 and open for a total of four weeks. The primary mode of distribution was through emails sent to a 6,000-entry email list managed by UnionsWA. The UnionsWA list is mostly of working people and mostly of union members. The survey was additionally advertised through the WACOSS Sector News fortnightly newsletter, with approximately 4,850 subscribers, and internal email lists managed by WACOSS. The survey was further advertised in the YACWA newsletter, with approximately 2,900 subscribers, and promoted on the YACWA Facebook page. The survey was hosted online via the UnionsWA website.

Respondents

In total 1,394 respondents commenced the survey, though not all respondents replied to all questions. With the engagement of academic expertise, outlined below, a weighting of responses was undertaken to strengthen the representativeness of results. Those aged under 25 years and those aged 65 years or over were excluded and with other weighting to enhance representativeness. In the charts that follow the number of these prime workforce age (25–64-year-old) respondents denoted by "n=".

To make our survey results more representative of the general working age population, efforts have been made to weigh and adjust our results with reference to *Australian Bureau of Statistics (ABS)* data on household and personal incomes. We have also undertaken a separate comparison using data from the *Household, Income and Labour Dynamics in Australia (HILDA) Survey*. HILDA was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported in our work should not, however, be attributed to either the DSS or the Melbourne Institute.

Using ABS data – we derived a more representative yearly income range by using a weighted average based on the numbers of responses. We were then able to make a comparison with the ABS results. This was deliberately cautious and prudent approach which made our working age cohort responses comparable to those of the ABS.⁴

⁴ ABS, Personal Income in Australia (released 17/12/2021)

<https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/personal-income-australia/latest-release>

Using HILDA data – a comparison was done with the results for the same income groups in the HILDA survey, using similar questions which asked people to rate their personal financial situations. The trend results between those responders who say that they are ‘just getting by’ in HILDA are like those in the Survey who say that ‘my/our income just meets cost of living’.

The question “*Within what of the following ranges does your own personal income before tax fall*” was utilised to categorise respondents according to their wages. Respondents that indicated their incomes fell within the first two categories, being A) Less than \$31, 199 a year and B) \$31,200 to \$51,999 were classified as low-waged workers for the purpose of this study.

We further removed respondents who identified as *unemployed or jobless and not looking for work* from the sample, leaving a total of 178 respondents who were categorised as being low-waged workers. 24.7 per cent of respondents classified as low-waged indicated that they are employed full-time (n=44), 55.1 per cent are employed part-time (n=98), 11.2 per cent are employed casually (n=20) and the remainder working in labour hire or other arrangements.

Thanks are given to Jose Loureiro, PhD Candidate at the School of Accounting, Economics and Finance Curtin University, for his work with the ABS data and to Professor Alison Preston of the UWA Business school for the HILDA comparison.⁵ Thanks are also given to Tim Dymond and Phil O’Donoghue from UnionsWA, and Mason Rothwell from the Youth Affairs Council of Western Australia for their involvement and collaboration in this project.

⁵ Household, Income and Labour Dynamics in Australia (HILDA) Survey background information can be found here: <https://melbourneinstitute.unimelb.edu.au/hilda>

Qualitative Findings

To ascertain how Western Australian households are coping financially, the survey included the open-ended question *“In your own words, how are you or your household coping financially”*.

Respondents’ testimonies described a variety of hardships that they experienced in trying to survive on their low wages. Many low-waged workers indicated that they were struggling, particularly with rising cost-of-living expenses, including rent, groceries, fuel and utilities. Others indicated that they had no emergency savings safety net, were accessing savings or superannuation funds to cope with financial stress and/or are worried about not having enough to finance retirement. Just 6.9 per cent of respondents in the low-waged category indicated they were currently coping well.

Barely Getting By

Workers across all employment categories – full-time, part-time and casual – indicated the hardships of living on low wages. These included inadequate income to meet weekly or fortnightly basic living costs, an inability to save, difficulty in repaying debt, and a need to continually make adjustments in future plans, expectations, and dreams. Many low-waged workers self-reported that they are ‘struggling to make ends meet’, are living pay cheque to pay cheque or are on the precipice of financial precarity and/or falling into debt.

“I’m just trying hard to survive from one fortnight to the next without incurring any big debts”

“I cannot think or plan too far ahead. I am constantly worried about having to dip into savings that I would like to use for a house if that was ever going to be possible”

“Struggling every week to make ends meet, can’t even save a couple of dollars”

“Wage just covers cost of living - utility bills, insurances, rates, car, food, medical, phone, etc. I am unable to save, live pay to pay, and have been unable to get out of credit card debt, stuck on \$4,500 overdraft. So financially just keeping my head above water, just”

“We run out of money a few days before pay day every time”

Cost of Living Increases and Minimal Wage Growth Are Straining Low-Wage Workers

Low-income workers indicated that they are struggling to afford the rising costs of necessities, while emphasising that their wages are not increasing by the same proportion. Sharp increases in the cost of living, particularly food and fuel, are contributing to especially acute feelings of financial stress, straining low-waged workers’ already tight finances. Many respondents indicated that they are sacrificing regular and important items in their households’ budget in order to compensate for the rising costs of basic necessities.

"We are struggling, rising costs and lower wages are not improving so we are robbing Peter to pay Paul"

"We barely scrape by. Any increases to rent/food/utilities will see us slowly subsidising into a pit of debt we would never recover from. Wages are not increasing at the same rate"

"We are OK... as my partner and I are still working. However, cost of living is going up. Groceries are more expensive, as is fuel. We have the same income however more outgoing costs. We have had to make a lot of adjustments in order to get by"

"Just managing, bills seem to increase electricity, water and health insurance for example but wages aren't increasing at same rate. We are seriously looking at dropping health insurance which then puts more pressure on public health"

Coping Strategies

With minimal disposable income, low-waged workers are resorting to modifying and strictly managing their budgets. Despite diligent planning, expenses often exceed their incomes, leaving workers with little option but to reach out for financial assistance and help from friends, family or emergency relief organisations. Some respondents indicated that they are drawing down on their personal and superannuation savings to fund basic living costs.

"Not well. Having to rely on help from friends and family currently"

"Only just coping and will be cutting my living budget again"

"By a fine line. Rely on food vouchers every couple of months and help of financial counsellor to prevent debts from escalating"

"I have to draw on my superannuation to stay ahead. Utilities are becoming more expensive and I have to be careful what I buy food wise as many things (meat, fish, vegetables) are much more expensive now"

"I'm burning through my savings trying to make ends meet"

Limited Disposable Income and No Emergency Safety Net

Despite workers' best efforts to control their expenses, many felt they were not financially secure enough to respond to the exigencies of life: a sudden increase in the costs of necessities, a health crisis, an emergency expense such as car repairs, or the everyday "extras" of normal or family life.

Respondents illustrated how living on low wages entails continual worry and vigilance, budgeting and trade-offs.

"We are okay because we choose to live within our means, but if there was a big financial 'bump' we would struggle. Food is really starting to increase that we are starting to really think about if we really need this. My industry has not had a substantial pay rise in four years. I would like to buy a house, but my income is too low."

"Coping, not a lot left over to spend above the usual bills"

"It's very stressful. I am making just enough to pay my bills, but there is not a lot left over should an emergency happen like car repairs etc."

"I am coping satisfactorily however, if I became ill or had a major financial problem I would struggle"

Case Study: Jillian's* Story

Jillian works full-time in the education sector. As the main income earner in her household, her income supports both her and her husband. His rising healthcare costs are becoming a larger expense in their household budget and source of financial strain.

Jillian and her husband are fortunate in that their house is paid off and they have a water tank, meaning they have no mortgage or water costs. Despite not having these large outgoing expenses, Jillian and her husband must resort to cost-cutting measures to ensure her income covers their basic living costs.

They have begun to adjust their expenditure on food, maintaining a strict grocery budget to compensate for rising food prices. Living in a regional area and with the high cost of fuel, Jillian restricts her travel for essential needs only, such as going to work or the supermarket. She must seriously weigh up whether travel for leisurely outings to visit friends or making a trip into the city is something she can afford in her weekly fuel budget. Jillian and her husband are vigilant in engaging in energy saving measures to save on their energy bills. In the case of an emergency, such as needing to replace white goods, Jillian would struggle to come up with the money to pay for a new appliance, and would have to restrict their budget and expenditures elsewhere for weeks in order to cover the cost. Jillian believes that if she and her husband were to have housing costs on top of their basic living expenses, they would be plunged into severe financial hardship.

Although not spelled out in her contract, Jillian is expected to perform extra duties above and beyond her allotted working hours, for which she is not financially compensated for. These extra duties contribute to a state of anxiety and exhaustion for Jillian, compounding her financial worries.

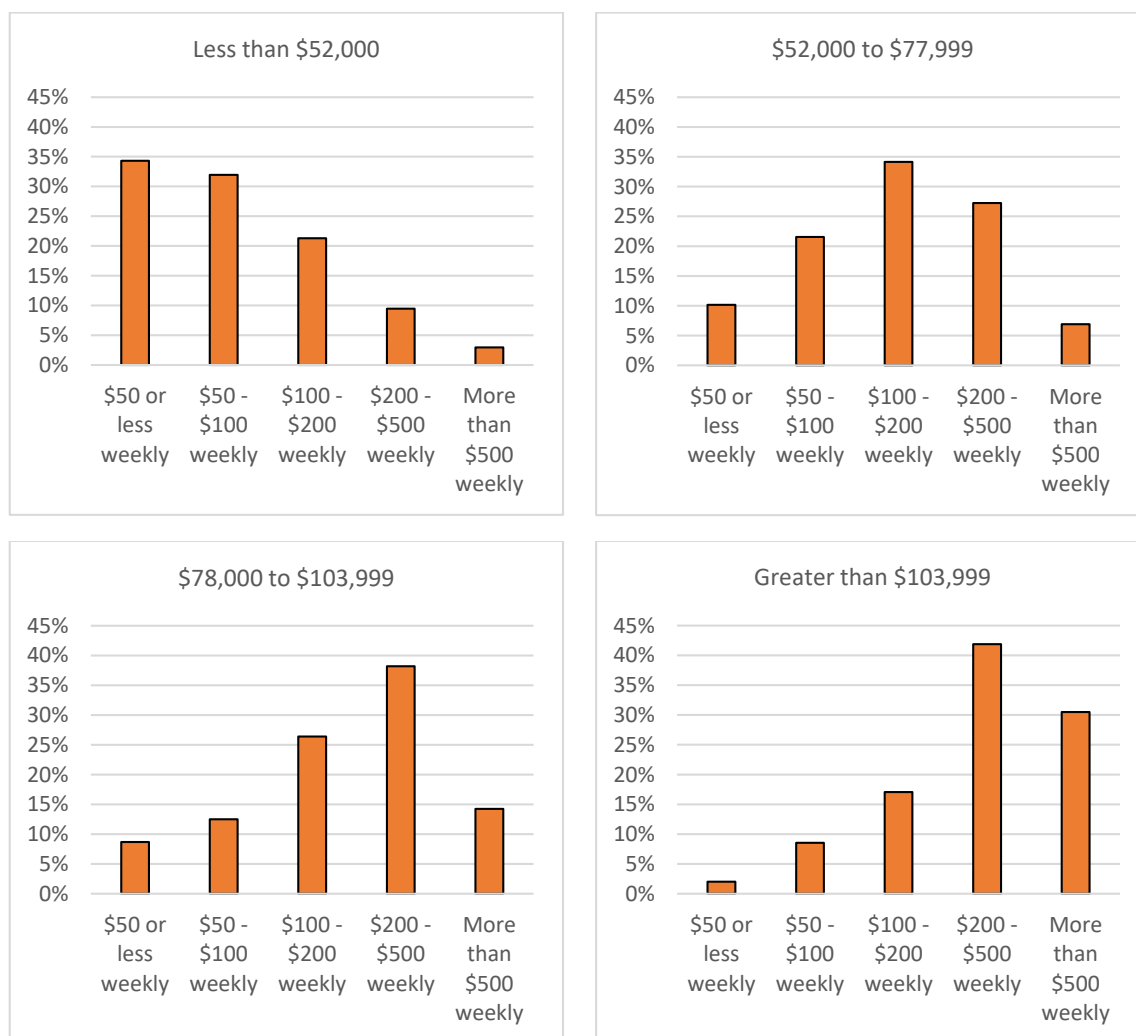
She estimates that an extra \$100-\$200 per week would be enough to lift her household out of financial stress, although with rising cost-of-living expenses, that figure may need to increase into the future.

* name has been changed

Quantitative Findings

Figure 1 presents responses regarding how much disposable income respondents reported was left each week in their household budget after they have paid for all of the necessary items that they have little to no choice about, such as rent, food and bills. These responses have been separated out by the respondents' household income before tax.

Figure 1: Disposable income after essential costs by annual household income



n=949

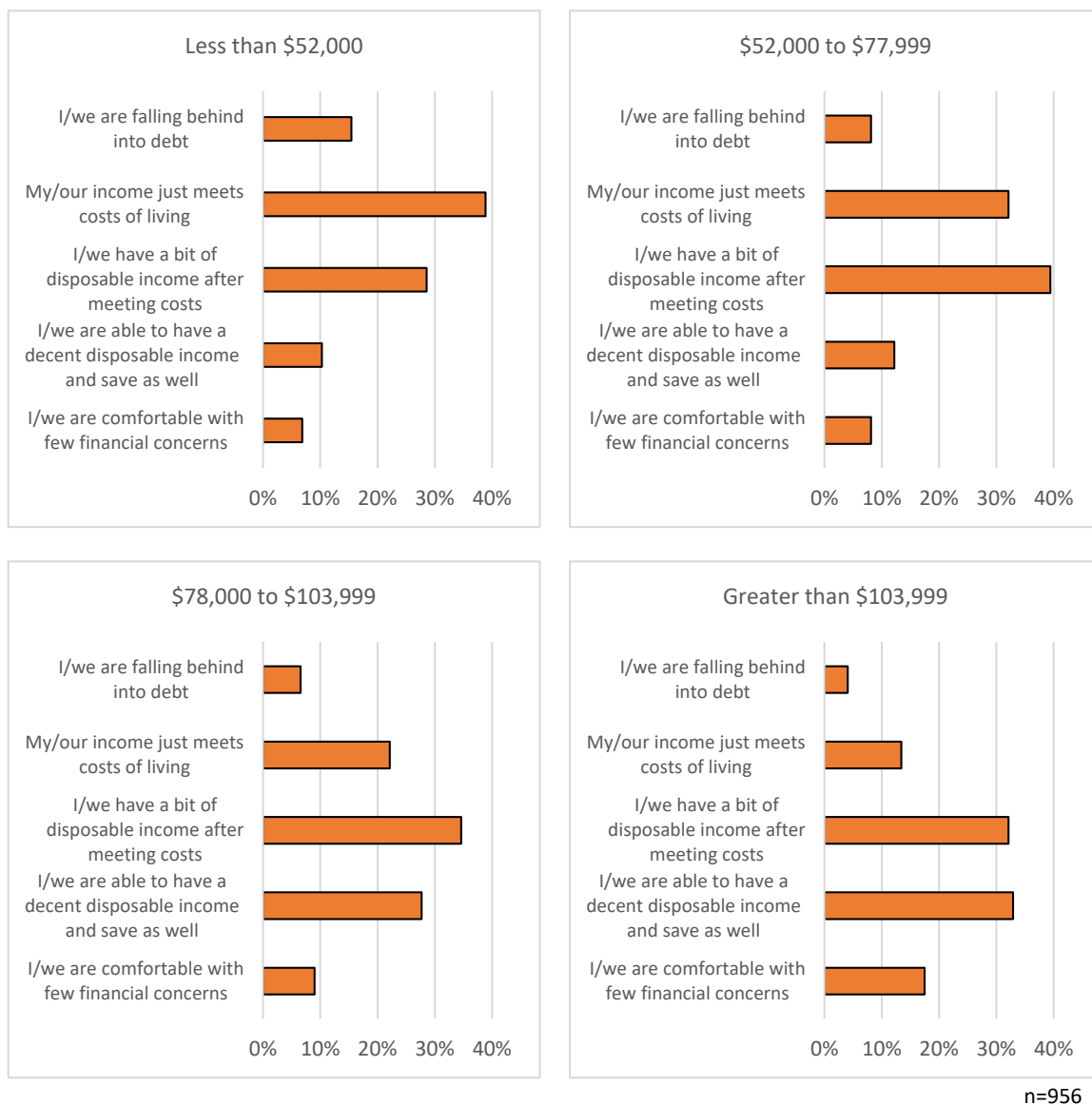
66.3 per cent of respondents with an annual household income before tax that was lower than \$52,000 reported that they had \$100 or less a week after meeting their essential costs. 34.3 per cent reported that they had \$50 or less a week after meeting their costs, which was the highest response for those with an annual household income before tax lower than \$52,000.

The highest response for those respondents with an annual household income before tax between \$52,000 and \$77,999, was from \$100 to \$200 a week at 34.2 per cent. For households with an annual income before tax between \$78,000 and \$103,999, the highest response was \$200 to \$500 weekly after meeting essential costs at 38.2 per cent.

72.3 per cent of households that reported an annual income before tax greater than \$103,999 had more than \$200 a week after meeting their essential costs, with 30.5 per cent having more than \$500 a week.

Figure 2 presents the answers that respondents determined best described how their household was coping financially, when they considered their income and costs. As with Figure 1, these responses have been separated out by the respondents' household income before tax.

Figure 2: Financial stress level by annual household income



For households that reported an annual income before tax that was lower than \$52,000, 38.9 per cent of respondents identified that their income just met the cost of living. This group reported the highest percentage of respondents falling behind into debt, at 15.4 per cent. More than half of respondents in this income category, therefore, did not consider that they had any disposable income after meeting their living costs.

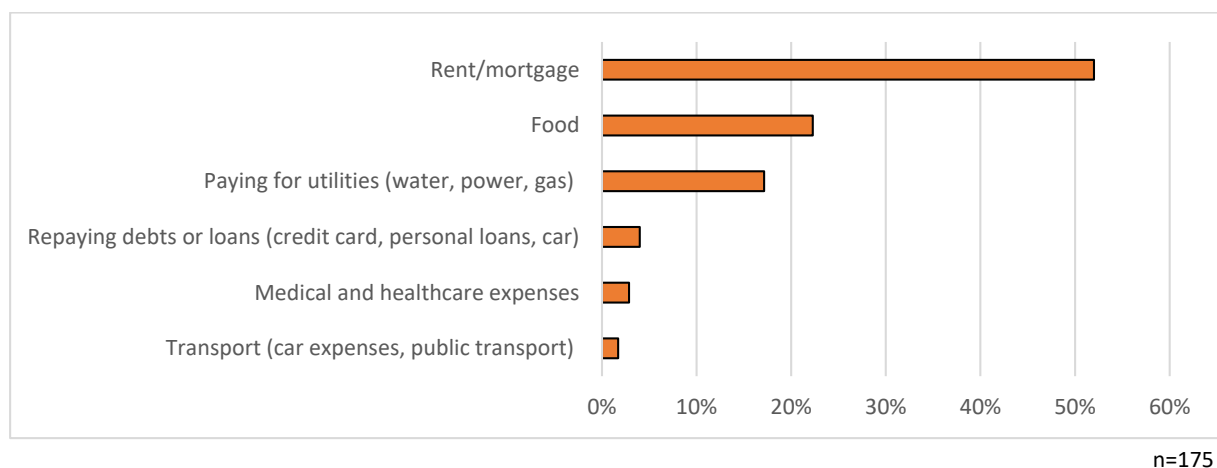
The highest response for respondents with an annual household income before tax between \$52,000 and \$77,999, was that they had a bit of disposable income after meeting costs, at 39.4 per cent, with 32.1 per cent reporting that their income just met their living costs.

34.6 per cent of households with an annual income before tax between \$78,000 and \$103,999 reported that they had a bit of disposable income after meeting costs, with 27.7 per cent reporting that they had a decent disposable income and were able to save as well.

For households that reported an annual income before tax greater than \$103,999, 32.9 per cent reported that they were able to have a decent income and save as well, with 17.5 per cent reporting that they were comfortable and had few financial concerns.

Survey respondents were asked to rank their top priority when managing their weekly budget. The results for this question indicate what households consider to be their essential costs that they must consider when spending their income. Examining just those household who reported an annual household income lower than \$52,000, it can be seen that rent and mortgage costs were the top priority for 52 per cent of the respondents in that income category, followed by food at 22.3 per cent and paying for utilities at 17.1 per cent.

Figure 3: Top weekly budget priority for households with annual income lower than \$52,000



Examining what those same households identified as their *second* highest priority had the majority of respondents ranking food next, at 32.6 per cent, and paying for utilities at 28.8 per cent. As rent/mortgage costs scored so highly as the top priority, it is much lower as the second.

Figure 4: Second highest weekly budget priority for households with annual income lower than \$52,000

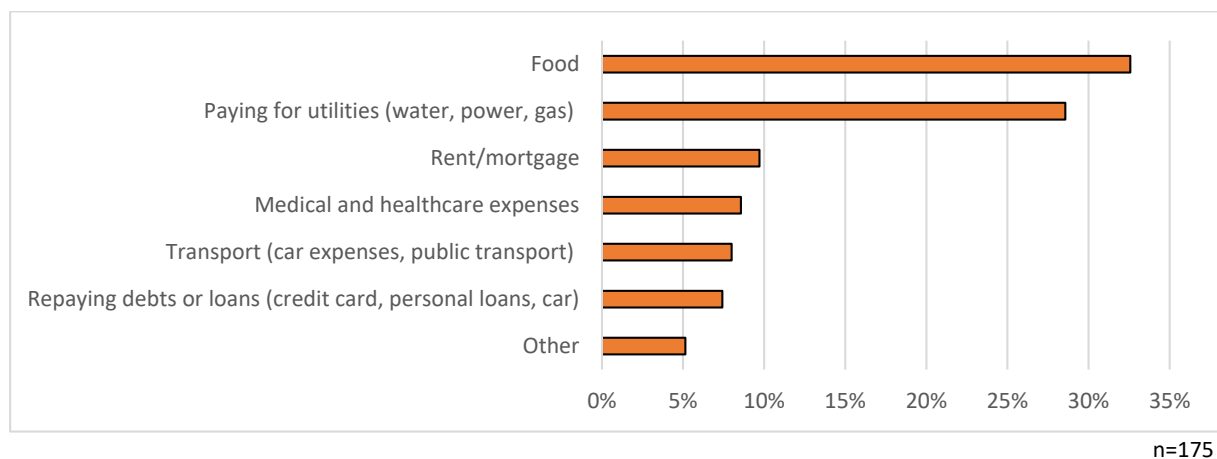


Table 1 examines the disposable income of just those respondents who reported an annual household income lower than \$52,000, against those in that income bracket who were also in *full-time employment*.

Table 1: Disposable income after essential costs for households with annual income lower than \$52,000

	All employees	Full-time workers only
Under \$100	66.3%	61.9%
\$100 - \$200	32%	21.4%
\$200 - \$500	21.3%	16.7%
More than \$500	3%	0%
<i>Total no of respondents</i>	<i>169</i>	<i>42</i>

61.9 per cent of those workers earning under \$52,000 a year who reported their employment status as being in full-time work had under \$100 in disposable income after meeting their essential costs each week. None of the respondents in full-time work and earning under \$52,000 reported that they had more than \$500 a week after meeting their costs.

Table 2: Financial stress levels for households with annual income lower than \$52,000

	All employees	Full-time workers only
I/we are falling behind into debt	15.4%	15.9%
My/our income just meets costs of living	38.9%	40.9%
I/we have a bit of disposable income after meeting costs	28.6%	29.5%
I/we are able to have a decent disposable income and save as well	10.3%	9.1%
I/we are comfortable with few financial concerns	6.9%	4.5%
<i>Total no of respondents</i>	<i>175</i>	<i>44</i>

In terms of financial stress, 40.9 per cent of those respondents in full-time work and earning under \$52,000 reported that their income just met their costs of living. This was 2 per cent higher than all employees in that income bracket. 29.5 per cent reported that they had a bit of disposable income after meeting their living costs, while 15.9 per cent reported that they were falling behind into debt. Only 4.5 per cent reported that they were comfortable, with few financial concerns.

What this comparison indicates is that for those workers who are earning a low wage, access to full-time work is not in itself a guarantee that workers will earn enough to cover their basic needs or to avoid financial stress, hardship or debt. The fundamental problem is that the income of these workers is simply too low to meet cost-of-living expenses or to provide some discretionary income.

Discussion

With the surge in the cost of living in Western Australia, financial stress is significantly impacting low-waged workers who are currently navigating multiple socio-economic shocks, skyrocketing prices for basic necessities, and the impact of slow wage growth.

Unsurprisingly, the proportion of people who are falling into debt or whose income is just enough to cover basic living costs is highest among those categorised as low-wage workers, which for this report was set at an annual income before tax that is lower than \$52,000.

The findings of this report demonstrate that workers on low wages in Western Australia do not consider that their wages are increasing by the same proportion as their living costs, placing them in a state of financial stress or hardship. The majority of low-waged workers who took part in this survey had less than \$100 per week after they had paid for all of their basic necessities, with more than a third of respondents reporting they had less than \$50 per week. To compensate, many reported having to sacrifice regular and important items in their household budget simply to keep their heads above water, while having no emergency funds to cover a significant expense, should it arise.

With 15.4 per cent of the low paid workers surveyed reporting that they were falling into debt, many of these workers are having to find alternative ways to make up the difference between their low wages and their living costs. It is of concern that this includes drawing down on their personal and superannuation savings to fund basic living costs, or needing to resort to loans from friends, family or to access emergency relief.

A number of WACOSS member organisations, including emergency relief, charitable food, financial counselling and family and domestic violence services, have reported month-on-month increases in people accessing their services due to rising levels of financial stress and hardship, likely compounded by the ongoing financial, social and health impacts of COVID-19. These agencies consistently report a number of issues in relation to people living in financial hardship in Western Australia, including:

- The number of people seeking assistance with poverty-related issues is growing;
- There is an increase in new groups of clients, i.e. people seeking assistance who have not previously sought assistance, and in particular a growth in the number of 'working poor' approaching agencies for assistance;
- A large number of clients are returning to emergency relief services who have not requested assistance for more than 5+ years; and
- Rising cost-of-living pressures, particularly housing costs, are severely impacting vulnerable groups, with households having to choose between meeting housing costs and other items of essential expenditure such as food.

Financial stress has a range of significant short and long-term impacts on households, ranging from households needing to forgo essential expenses such as groceries, medicine, education or heating, to family breakdowns and subsequent impacts on child development and safety, to increased risk of violence and substance abuse. With the continued impact of COVID-19 across Western Australia and increasing volatility of markets due to global instability, the risk for further economic shocks to low-waged workers and households remains high. Action is needed to improve the situation of low-waged workers and ensure everyone in our community is able to affordably access essential goods and services.

Conclusion

This research reinforces the need a concerted response to improve the financial resilience of low-waged workers in Western Australia by securing and increasing their pay.

In a time of ongoing uncertainty and exorbitant cost-of-living pressures, we need to take advantage of every single tool we have at our disposal to provide strengthened forms of social support and economic measures for low-waged households enduring financial stress so that this stress does not convert into severe financial hardship.

The fundamental power imbalance between individual workers and employers is why it is critical that we have safety nets like the minimum wage. In order to ensure workers are being paid enough that they are able to meet the cost of living, the minimum wages must be set at an adequate level. Governments have a clear role in this not only by creating the necessary legislative conditions to ensure workers are paid liveable wages, including protecting workers from wage theft, but also as significant employers themselves and contractors of services.

To address issues contributing to pay being insufficient, there is also a clear need for unions to be able to freely organise in workplaces and take industrial action when needed. As the frontline against injustice in the workplace, through delegates, shop stewards and the broader membership, unions provide a direct means for protecting conditions and pushing for higher wages.

This report makes clear that workers are in less financial stress and are better able to meet their living costs when they have higher wages. For those just getting by, the awareness that just one unexpected financial shock could push them into hardship is itself a source of great stress.

We want to thank everyone who completed the survey and participated in the phone conversations. By sharing your experiences, you have helped shine an important light on the conditions of low paid workers in Western Australia, which is an integral part of making them better.

