THE TOWARDS NEW INDICATORS OF DISADVANTAGE PROJECT
BULLETIN NO. 1
IDENTIFYING THE ESSENTIALS OF LIFE

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INTRODUCTION AND BACKGROUND

The Towards New Indicators of Disadvantage project is a collaboration between researchers at the Social Policy Research Centre (SPRC) and analysts from the Australian Council of Social Service (ACOSS), Mission Australia, the Brotherhood of St Laurence (BSL) and Anglicare, Diocese of Sydney. SPRC Director Professor Peter Saunders is the project's Chief Investigator, and Peter Davidson from ACOSS and Janet Taylor from BSL are Partner Investigators. The research is funded by a Linkage project grant from the Australian Research Council, with additional cash and in-kind support provided by the collaborators.

The aim of the research is to develop new indicators that can be used alongside existing instruments (e.g. poverty lines) to better identify the extent and nature of disadvantage in Australia. The findings will help to fill the gaps that currently exist in conceptual thinking and empirical research on poverty and related issues of deprivation and social exclusion. They will also provide new information on the circumstances of those who use welfare services, and a better evidence base to inform policy development.

The research is being conducted in two stages. Stage 1 involved a series of focus group discussions with users of welfare services, designed to better understand the problems faced by low-income Australians and obtain their views on what is required to achieve a decent standard of living. Similar discussions with welfare agency staff helped to validate the findings and enrich our understanding of what it means to be struggling to make ends meet. A copy of the Stage I findings can be obtained from the SPRC website at www.sprc.edu.au or by contacting SPRC or any of the other participating agencies.

A NEW SOCIAL SURVEY

A survey questionnaire was mailed to a random sample of the Australian population across all States in April 2006. Over 2,700 people had responded to the *Community Understandings of Poverty and Social Exclusion (CUPSE)* survey by July, representing a response rate of around 48 per cent. A shorter version of the survey was also completed by around 670 users of welfare services over the same period, and the information gathered in both surveys is currently being analysed. (The research team would like to take this opportunity to record its thanks to all those who took the time and effort to complete the surveys; without their input, this research would not have been possible).

Both surveys included a series of questions asking which among a list of items are essential in Australia today - things that no-one should have to go without. Participants in the two surveys were asked to indicate for each item:

• Whether or not they thought that the item was essential for all Australians;

• Whether or not they themselves had the item; and

• If they did not have the item, whether this was because they could not afford it, or because they did not want it.

The last question was only asked of those items that individuals themselves could buy; it was not asked of items like access to a public telephone, or to a bulk-billing doctor under Medicare that cannot be bought by individuals but are provided collectively by government. The surveys also asked about attitudes to a range of social issues and about the personal circumstances of respondents, so that the research can compare the responses across different groups in the population.

The 'essentials of life' questions covered a broad range of items, activities, opportunities and other characteristics that previous research (in Australia and other countries) has shown to be associated with deprivation and social exclusion and thus contribute to disadvantage. A number of the items, and the way in which they were included in the survey reflected the feedback provided by the Stage 1 focus groups.

The list of potential items included basic items (for example, a substantial meal at least once a day; heating in at least one room of the house), items that allow people to participate in community life (to be treated with respect by other people; ability to speak and read English), items that people need at particular times in their lives (dental treatment; child care for working parents), and the ability to make use of key facilities and services (good public transport; and streets that are safe to walk in at night). Several of the items related specifically to the needs of children, including a separate bed for each child, a local park or play area for children, and up to date schoolbooks and school clothes.

By drawing on the experience and attitudes of those who are experiencing hardship, the project is aiming to develop new indicators that reflect this knowledge. Because the new indicators will be based on the views of disadvantaged people and reflect what the population as a whole thinks are the essential elements required to participate in Australian society today, they will have greater credibility than conventional

poverty lines. It will no longer be possible to dismiss poverty estimates as being produced by researchers in an ivory tower, and unrelated to what is happening in 'the real world'. This will help to focus debate on the real issues of how poverty and social exclusion affect people's lives and opportunities, as opposed to how they are defined and measured.

IDENTIFYING THE ESSENTIALS OF LIFE

The information obtained from the surveys is being used to identify which items are regarded as essential by a majority (at least 50 per cent) of those surveyed, and where there is even stronger agreement than this. Only those items that are seen as essential by at least 50 per cent are included in the new indicators being developed, as explained below. Once these items have been identified, it is possible to examine who does not have each item (who is 'missing out') and, among this group, those who lack each item because they cannot afford it (who are deprived because of a lack of resources).

Those who are in this latter group could be described as poor, although more research is needed before such a conclusion can be reached. There is a well-established method for using the survey results to identify who is living in poverty, defined as 'an enforced lack of socially perceived necessities (or essentials)'. Over two decades of research originating in Great Britain, but now being increasingly applied in countries throughout Europe and elsewhere (e.g. in Japan), has produced robust methods that are being applied to analyse the new data for Australia.

The main findings from this stage of the project will be reported in a later issue of this Bulletin. For the moment, the research team is focusing on identifying which items are essential and some of the project's preliminary findings are now reported.

As noted, the goal of the project is to identify a list of essential items and to discover who is missing out on them because they cannot afford them. If the items included as possible essentials were so basic for survival that everyone already has them, then the information collected would not be useful for discriminating between who is disadvantaged or poor and who is not.

It is also important that the list of essential items does not reflect the views of those running the survey, since this would not provide a basis for identifying what the *community in general* thinks is essential. Survey respondents generally only respond to what they are asked, so the list of potential items has to be selected carefully, with these considerations in mind. This is one reason why the Stage I focus group input into the Stage II questionnaire has been a crucial aspect of the design of the project.

MAIN FINDINGS

In total, the main survey included 61 possible essential items and all but four of these were also included in the shorter survey of welfare service users. The affordability question was not asked (as explained earlier) about 17 of these items. In this initial reporting of the results, attention is focused on whether or not each item was regarded as essential by respondents to the general (postal) and service user (client) surveys.

It is important to emphasise that those who participated in the postal survey are representative of all social groups in the community: men and women; Australian and overseas-born; young and old; wage earners and those receiving Centrelink payments; rich and poor. In contrast, those included in the client survey were by definition struggling to make ends meet, with many of them in or close to poverty. This latter group is often under-represented in social surveys and their inclusion in large numbers in the client survey is another unique feature of the project.

The following table lists all of the items included in each survey and shows the percentage of respondents who agreed that each item was essential. Results from the postal survey are shown on the left and those from the client survey on the right. In each case, the items are listed in declining order of support, starting with those receiving most support.

The most striking aspect of the results is the high degree of support for identifying items as essential across both surveys. Results from the postal survey indicate that 48 of the 61 items are regarded as essential by a majority (at least 50 per cent) of the sample, with almost half of the items (30 out of 61) seen as essential by at least 90 per cent of the sample. The findings from the client survey are remarkably similar, both in terms of the ranking of the items and the degree of support for them being essential; here, 50 out of 57 items were seen as essential, while 32 of them received more than 90 per cent support.

The main difference is that most items received greater support for being essential from the client survey, but even here the differences are not that large. It thus seems, that there is a consensus about which items are essential. This is a very important finding since it implies that it will be possible to develop indicators of disadvantage that are broadly supported by community attitudes and opinion.

Results for both surveys show that the basics of life - secure housing, warm clothes, a substantial meal and being able to buy prescribed medicines rank at the top of the list of essentials. However, aside from these basic subsistence items, the other essentials of life identified by Australians are more focused on broad quality of life indicators such as access to health and other key services, the availability of care and support when needed, and to be treated with respect and accepted for who one is. These items rank above owning things like a telephone, washing machine, TV or even a car.

Percentage of Respondents Who Regard Each Item as Essential from the Postal Survey (61 items, n=2,704) and Client Survey (57 items, n=673)

Rank	Postal Survey Items	%	Client Survey Items	%
1	Medical treatment, if needed	99.9	Medical treatment, if needed	99.8
2	Warm clothes and bedding if it's cold	99.8	Warm clothes and bedding if it's cold	99.4
3	A substantial meal at least once a day	99.6	Access to a local doctor or hospital	98.9
4	Able buy medicines prescribed by a doctor	99.4	Able buy medicines prescribed by a doctor	98.9
5	Access to a local doctor or hospital	99.3	A substantial meal at least once a day	98.3
6	Disability support services, when needed	98.9	To be treated with respect by other people	98.3
7	Dental treatment, if needed	98.6	A decent and secure home	97.9
8	To be treated with respect by other people	98.4	Access to a bulk-billing doctor (Medicare)	97.1
9	Aged care for frail older people	98.2	Good public transport in the area	96.9
10	To be accepted by others for who you are	98.0	Ability to speak and read English	96.8
11	Ability to speak and read English	97.9	Dental treatment, if needed	96.6
12	Streets that are safe to walk in at night	97.7	Disability support services, when needed	96.1
13	Access to mental health services, if needed	97.4	To be accepted by others for who you are	96.0
14	A decent and secure home	97.3	Secure locks on doors and windows	95.9
15	A safe outdoor space for children to play at or near home	96.4	Access to mental health services, if needed	95.8
16	Supportive family relationships	94.9	Aged care for frail older people	95.7
17	Children can participate in school activities and outings	94.8	Supportive family relationships	95.2
18	A yearly dental check-up for children	94.7	A safe outdoor space for children to play at or near home	95.0
19	Someone to look after you if you are sick and need help around the house	93.7	Streets that are safe to walk in at night	95.0
20	Good budgeting skills	93.4	A yearly dental check-up for children	95.0
21	A local park or play area for children	92.9	Children can participate in school activities and outings	94.7
22	A hobby or leisure activity for children	92.5	Access to a bank or building society	94.6
23	Regular social contact with other people	92.3	A local park or play area for children	94.0
24	A roof and gutters that do not leak	92.3	Regular social contact with other people	93.7
25	Good public transport in the area	92.2	A hobby or leisure activity for children	93.7
26	Access to a bulk-billing doctor (Medicare)	91.9	Child care for working parents	93.1
27	Secure locks on doors and windows	91.8	A public telephone	93.0
28	Furniture in reasonable condition	91.2	Someone to look after you if you are sick and need help around the house	92.7
29	Access to a bank or building society	91.1	Furniture in reasonable condition	92.3
30	Damp and mould free walls and floors	90.7	Good budgeting skills	92.2
31	Heating in at least one room of the house	89.0	Up to date schoolbooks and new school clothes for school-age children	92.1
32	Up to date schoolbooks and new school clothes for school-age children	89.0	A roof and gutters that do not leak	92.1
33	A public telephone	88.1	Heating in at least one room of the house	88.0
34	Child care for working parents	86.0	A separate bed for each child	87.5
35	Someone to give you advice about an important decision in your life	85.0	Someone to give you advice about an important decision in your life	87.3
36	A separate bed for each child	84.7	A washing machine	86.9
37	A telephone	82.7	A telephone	85.1
38	Up to $500 in savings for an emergency	82.3	Presents for family or friends at least once a year	81.0
39	A washing machine	81.8	Up to $500 in savings for an emergency	77.1
40	Home contents insurance	77.4	Attended school until at least year 12 or equivalent	72.3

Percentage of Respondents Who Regard Each Item as Essential from the Postal Survey (61 items, n=2,704) and Client Survey (57 items, n=673)

	Postal Survey		Client Survey	
41	Presents for family or friends at least once a year	73.1	A TV	70.3
42	Computer skills	68.5	A separate bedroom for each child aged over 10	68.1
43	Attended school until at least year 12 or equivalent	64.6	Computer skills	67.5
44	Comprehensive motor vehicle insurance	63.4	Home contents insurance	64.1
45	A weeks holiday away from home each year	54.7	A special meal once a week	64.0
46	A TV	54.7	A weeks holiday away from home each year	61.0
47	A car	50.4	A night out once a fortnight	57.6
48	A separate bedroom for each child aged over 10	50.3	Comprehensive motor vehicle insurance	53.9
49	Up to $2,000 in savings for an emergency	46.9	Up to $2,000 in savings for an emergency	50.9
50	A special meal once a week	36.6	A car	50.6
51	A spare room for guests to stay over	35.7	A mobile phone	47.7
52	A night out once a fortnight	35.5	A home computer	38.0
53	A home computer	25.8	A spare room for guests to stay over	36.6
54	A mobile phone	23.5	A clothes dryer	33.2
55	A clothes dryer	20.3	A DVD	31.7
56	Access to the internet at home	19.6	Access to the internet at home	31.3
57	A printer	19.1	A dishwasher	14.7
58	A DVD	19.0		
59	An answering machine	13.6		
60	A dishwasher	8.3		
61	A Fax machine	5.7		

The list of potential essentials included 8 items relating specifically to the needs of children, and 5 of these (6 for the client survey) received at least 90 per cent support for being essential.

In both surveys, access to a public telephone ranks above owning either a private telephone or a mobile phone, while access to good public transport in the local area ranks above having a car. These findings point to the strong support that exists in the community for public services (in addition to the strong support that has already been discussed for public health services) and they suggest that materialism (striving to accumulate personal possessions) is a lot less rampant than is often claimed. Some modern electronic items like a mobile phone, home computer and a DVD player failed to receive 50 per cent support for being essential.

The fact that many items on the list of essentials are not 'things' that people can buy from their own money does not mean that income is unimportant when it comes to identifying who is disadvantaged. Some of the essential items reflect the area where people live (e.g. access to transport and other key services) and those with lowest income are often forced to live in areas where local services are either absent or of low quality. It would thus be premature to conclude that 'money does not matter' when it comes to identifying disadvantage, although the results also suggest that increasing people's incomes by only small amounts will, in some respects, have little immediate impact on their ability to gain access to the essentials of life.

FUTURE DIRECTIONS

Having identified which items are essential and shown that there is a high degree of agreement on what these items are, the research is currently addressing the following questions:

• How robust are the findings reported here?

• Can the essential items be grouped into a small number of major factors?

• Who is missing out on the essentials of life and what does this imply for the extent and nature of deprivation and social exclusion in Australia?

We are also working on the following topics:

• Developing a range of summary measures of deprivation/social exclusion that can form the basis of a new indicator of disadvantage;

• Exploring the properties of the new indicator(s), including its relation to income and thus to existing poverty lines and Centrelink payment levels; and

• Identifying the policy implications of the research.

The results that emerge from this on-going work will be reported in future issues of this Bulletin, and made available for comment and discussion through a variety of other outlets. Further information about the project and its findings can be obtained from any of the collaborating agencies, or by contacting the SPRC by email on sprc@unsw.edu.au