

Justice, opportunity and
shared wealth for all
South Australians



SACOSS

*South Australian Council
of Social Service*

Anti-Poverty Week 2010

Statement

The South Australian Council of Social Service (SACOSS) has a vision that all South Australians can live a life free from poverty, in a genuinely inclusive society where there is equality of opportunity and equity of outcomes for all.

Every person should have somewhere safe to live, reasonable food and clothing, access to employment, justice, education and health services. Poverty excludes and SACOSS believes that South Australia must develop a specific anti-poverty focus to provide justice, opportunity and shared wealth for all in our community.

Anti-Poverty Week is an opportunity to talk about solutions, fairness and a decent standard of living for all South Australians. Anti-Poverty Week focuses on poverty around the world including Australia, and includes the UN's International Anti-Poverty Day, 17 October. The main aims are to strengthen public understanding of the causes and consequences of poverty and hardship, and encourage research, discussion and action to address these problems.

SACOSS undertook to survey South Australians right across the state on their perceptions and understanding of poverty in their home state. Results from across metropolitan Adelaide, and regionally from Mt Gambier to Whyalla, revealed that while many people know that poverty is an issue in SA, they are underestimating what it takes to live on.

Poverty has many faces, and for many people it represents the ongoing and daily struggle to navigate through everyday life. A successful society is one that enables all its members to enjoy its benefits, not just some.

What is the definition of poverty?

The Organisation for Economic Cooperation and Development (OECD) defines the poverty line as 50% of the median disposable household income.

So it's just about income, then?

No, poverty has more elements to it than just money, although having enough certainly underpins everything. Poverty is multidimensional, that is, its effects flow on and impact many aspects of people's lives. Material and social poverty go hand in hand: access to adequate housing, education, maintaining health and wellbeing, and inclusion in the wider social community are all elements of a person's life that are limited and undermined by poverty. As such, any successful attempt at eradicating poverty must be holistic in its approach.



Poverty exists in South Australia and is more prevalent than many of us are aware. But it does not need to exist and we should not ever consider it an inevitable part of life, nor should we assume that those who experience poverty who are to blame. We all have a responsibility to work to eradicate poverty.

Poverty — the facts

- At last count about 200,000 South Australians, or 12.3%, were living in poverty (50% median income measure)ⁱ. That is more than one out of every ten people in our state.
- A less austere measure (used in Britain, Ireland and parts of the European Union) is 60% of median income. Using this measure, at last count around 20% of South Australians were living at or below the poverty lineⁱⁱ.
- Poverty levels differ across the states and territories. Using either of the 50% or 60% median income measures, South Australia has one of the highest rates of poverty in the nationⁱⁱⁱ.
- Between 1994 and 2006, the proportion of South Australians living in poverty rose from 6.7% to 12.3% (50% median income measure)^{iv}.

Perceptions vs reality of poverty

Almost 40% of respondents to the SACOSS Anti-Poverty Week 2010 survey regarded living on below \$200 per week as living in poverty. The budget below shows the weekly expenses for a single, aged pensioner who is renting a one-bedroom flat at the lower end of the rental market with electric-only utilities (no gas), and owns a car. The reality is clear: \$200 is only half of what will barely cover the basics.

Single pensioner expenditure ^v	\$	Income	Total remaining
Housing	159		
Utilities	50		
Transport	56		
Health	25		
Clothing & footwear	13		
Essential food	75		
<i>Total necessities expenditure</i>	<i>\$378</i>	<i>Total pension & benefits \$415.50</i>	<i>Per week for everything else \$37.50</i>

What is the 'poverty line'? ^{vi}

A well-known poverty indicator in Australia is the 'Henderson poverty line'. It estimates how much money individuals need to cover essential living costs, and represents a basic living standard.

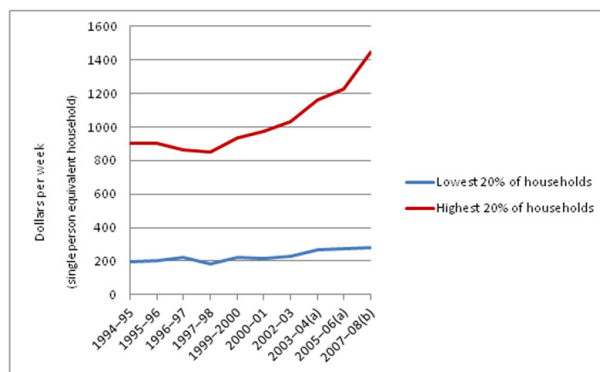
Poverty lines vary for different household configurations, as shown below:

- Lone person: \$326 per week
- Couple only: \$462 per week
- Couple with two children: \$680 per week
- Lone parent with two children: \$549 per week

To put this in perspective, the basic Newstart allowance for a single person with no children is around \$230 per week.

The gap ^{vii}

The top 20% of SA households accounted for 38.8% of all income, whereas only 7.5% of income went to the bottom 20% of households.



Average Weekly Income of lowest & highest income earners, SA

**In South Australia
50% of a single
median
disposable income
= \$326 per week^{viii}**

Poverty is personal

Poverty is a well-dressed young person experiencing unemployment. He started in his dream job in hospitality just before the GFC, and was one of the first to be let go. He has been out of work for 12 months (and his region shows few signs of the recovery). He receives the Newstart allowance at \$230 a week.

Poverty is a mum with two school-aged children. She is studying full-time to improve her job prospects and the quality of life she can offer her kids. Her income is around \$490 a week and – after rent (\$200), food (\$120), phone and utilities (\$65), and after-school care (\$50) – she has around \$50 a week to cover fuel, medical, excursions, birthday presents, and any number of unplanned events. She keeps empty, cleaned food tins and packets in the fridge and the cupboard, “so the shelves look full”.

Responses to the SACOSS Anti-Poverty Week Survey question, “What is poverty?” revealed many of those surveyed are themselves living this way. Answers we recorded included:

*Not being able to have a regular place to live
and not being sure what I can get to eat next meal.*

Living dirty, feeling frustrated and hopeless.

I can't pay bills, I'm living on baked beans.

It means every day is a struggle, frankly.

Rising cost of living

The key findings of the SACOSS *Cost of Living* Updates show that the rising costs of housing, energy, food and transport are compounding to put pressure on low and fixed income households. It is these ‘big four’ expenses that shape the ability or inability of individuals, families and households to participate fully in society.

Recent price rises for electricity – and now water and rates – are combining with rapid increases in the cost of housing to make a decent standard of living simply unaffordable for many low income South Australians. Energy represents a significant expenditure item and a point of financial stress. Lower income households spend a much greater proportion of income on energy expenses than other people, even when the government concessions are taken into account. Water costs in SA are set to continue rising well above the CPI (20% per year for the next five years)^{ix}.

Food pricing shapes dietary choices for low income households, and as food is generally regarded as the only essential expense that can be easily modified, rising food prices and the choices these necessitate potentially lead to a negative impact on health and wellbeing.

The table below^x indicates how the generalised “CPI All Groups” index masks the real rises in what are essential expenses.

Price rises in Adelaide over the last year	% increase
CPI – Adelaide All Groups	↑ 2.8%
Electricity	↑ 4.8%
Automotive fuel	↑ 5.6%
Health services	↑ 5.9%
Education	↑ 5.8%
Childcare	↑ 5.3%
Rent	↑ 4.2% [#]
Vegetables	↑ 6.0%
Utilities	↑ 6.0%

(* Note that rents have risen 4.2%, yet rent assistance has increased by only 3%)

Employment

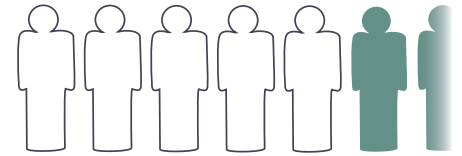
Employment and education are two of the most important pathways out of poverty. South Australia has a marked 'social gradient' in both labour force participation and educational attainment. In other words, the poorest populations have much worse outcomes than the wealthiest.

At July 2010 the SA unemployment rate was 5.3%, which equates to 45,700 South Australians. Full time employment has almost recovered to the pre-GFC rates, and unemployment was 3% lower than July 2009 ^{xi}.

The participation rate was 63.2% . This means that 46.8% of South Australians were not in the workforce or looking for work.

There were 8,500 long term unemployed people in SA (ie more than 1 year without work). 4,700 of these have been unemployed for more than 2 years ^{xii}.

More than one in six unemployed people in SA are long term unemployed.



So what can be done?

Economic growth does not automatically lead to a reduction in poverty. There needs to be wholistic, concerted action and intervention to tackle the key underlying factors that cause and maintain poverty and disadvantage.

Governments cannot legislate to eradicate poverty, but they do have control over many of the conditions that affect our vulnerability to poverty.

There is international evidence that when governments adopt anti-poverty plans, they can make meaningful steps to reduce overall levels of poverty.

South Australia's Strategic Plan (which, at October 2010, is undergoing comprehensive public consultation for review), has a number of welcome but generic targets around issues that relate to poverty.

SACOSS remains concerned that the Plan, and other government policies, lack an explicit anti-poverty target. An anti-poverty target is needed to focus government policy on this critical issue, and address in a wholistic way the many underlying causes of poverty. Only by grasping poverty's multidimensional nature can it be truly addressed.

Further reading

Blueprint for the eradication of poverty in South Australia www.sacoss.org.au/blueprint

Cost of Living Biannual Update www.sacoss.org.au/costofliving

South Australia's Strategic Plan: What progress on poverty? SACOSS Information Paper September 2010 www.sacoss.org.au/online_docs/1009010-SASP-what-progress-on-poverty.pdf

References

- i Australian Council of Social Service, 2007, *Australia Fair: Update on those missing out*.
- ii For further detail see Davidson, P, 2007, 'Poverty Lines 1994-2004', *Impact Magazine*, ACOSS, Winter 2007.
- iii & iv *Australia Fair* commissioned research by the Social Policy Research Centre, University of NSW, cited in SACOSS, 2007, *Blueprint for the eradication of poverty in South Australia*.
- v Based on ALCI and Indexed 2003/04 Household Expenditure Survey, plus median low-end Adelaide rents, factoring in 2010-11 State Budget measures.
- vi Melbourne Institute of Applied Economic and Social Research, 2010, *Poverty Lines: Australia*, June Qtr 2010.
- vii Australian Bureau of Statistics, 2009, *Household Income and Income Distribution, Australia 2007-08*.
- viii Australian Bureau of Statistics, 2009, *Household Income and Income Distribution, Australia 2007-08*.
- ix Government of South Australia, 2010, *Transparency statement-Part A: 2010-11 Potable Water And Sewerage Prices South Australia*.
- x Australian Bureau of Statistics, 2010, *Consumer Price Index, June 2010*.
- xi Department of Education, Employment & Workplace Relations, 2010, *SA Labour Market Review, July 2010*.
- xii Department of Further Education, Employment, Science & Technology, 2010, *SA Labour Market Profile 2010*.

With acknowledgment also to the Queensland Council of Social Service, 2010, *A Fair Queensland for Everyone Means Everyone Wins: Anti-Poverty Week Statement 2010*.

SACOSS Anti-Poverty Week Survey Results 2010

**“[Poverty] is a real social
justice issue somewhat
hidden in Australia”**

Survey Respondent
South-Eastern Suburbs

Anti-Poverty Week focuses each year on poverty around the world including Australia, and includes the UN's International Anti-Poverty Day, 17 October. The main aims are to strengthen public understanding of the causes and consequences of poverty and hardship, and encourage research, discussion and action to address these problems.

For Anti-Poverty Week 2010 (17-23 October), the South Australian Council of Social Service mobilised its members across South Australia, from Mt Gambier to Whyalla, Berri to Port Lincoln, and throughout metropolitan Adelaide, asking people in the street a range of questions about poverty. 260 people participated in the survey in 12 locations (city and regional).

What Poverty Means to South Australians

The most common response to what poverty meant to participants across the state was the inability to meet basic needs to support oneself and one's family. Specifically, these needs were identified as access to food, shelter, clothing, health, education, employment and safety.

It is concerning, however that several South Australians surveyed remain uninformed about the reality of living in poverty and that it is in fact happening in our community. Some participants suggested poverty was a state of mind and that “sometimes you have to make it with what you have”, while one participant suggested poverty was being “poor like the black kids in Africa”.

To me, poverty means....

Adelaide CBD

“Having holes in your shoes and no money to pay the next bills”

“I believe we have many government incentives (centrelink) that prevent poverty, I believe anyone living in poverty in SA is self-inflicted”

North-Eastern Suburbs

“Not being able to feed your family”

“To go without the basics of life”

Southern Suburbs

“A person struggling to make ends meet, with their income and also support”

“Having to live on tap water and 2 minute noodles for ten days waiting for pay day”

South-Eastern Suburbs

“To be in a situation where you are unable to pay your bare minimum bills, unable to feed yourself and your dependents a nutritious diet, unable to adequately clothe yourself and your dependents, and have inadequate shelter and security”

Western Suburbs

“Frustration and hopeless”

Port Augusta

“When I hear the word or think about poverty, I think of it as a whole. Living conditions, wages, opportunities and health”

Whyalla

“Being socially isolated”

Mount Gambier

“Not have enough money to live without worrying about which bill I can pay”

Note these comments are a representative sample of those surveyed



www.antipoverty.org.au

www.sacoss.org.au/online_docs/APStatement2010.pdf

What can you do to help alleviate poverty in SA?

Volunteering and donating to charity were the two things the majority of participants believed they could do to help alleviate poverty in SA.

It came through clearly in the survey that large non-government organisations are very successful in their anti-poverty advertising and awareness campaigns, with a number of participants specifically naming individual charities as a place to direct their donations.

Other common themes from participants included advocating to politicians, buying local produce and supporting small businesses, developing community gardens, and helping in education programs.

Of great concern was that many participants, particularly in the North-Eastern and Southern areas, thought there was nothing they could do to help, felt it was too big an issue to tackle as an individual, or if they wanted to help they didn't know how.

To alleviate poverty I could...

Adelaide CBD

"Encourage politicians to allocate budgets to help poor not rich mates"

"Personally not much but as a part of an organisation quite a bit as a volunteer"

North-Eastern Suburbs

"Petition for lower living costs eg: interest rates & taxes"

Southern Suburbs

"Encourage food sustainability; veggie gardens in every community"

"Not able to do a lot, can help self"

South-Eastern Suburbs

Talk about the issue, raise the awareness amongst the community"

"Support current service providers to increase their services, therefore requiring more funding, or the opportunity to work collaboratively with existing providers"

Western Suburbs

"Donate more of any income to charity and vote for politicians who have good social policy"

Waikerie

"Very little... I can't create jobs or influence other peoples decision"

Port Augusta

"I guess make people more aware about poverty and the over whelming issues it can have on individual families and communities. Maybe assist by working with one group and start from there, start small to overcome a huge problem."

Port Pirie

"Donate to the Christmas Appeal. Teach good budgeting skills to family, friends and associates. Educate people on available resources and agencies that can help"

Note these comments are a representative sample of those surveyed

How many people do you think live in poverty in South Australia?

How many people do you think live in poverty in South Australia?	% of responses
5%	6.0
10%	16.7
20%	24.6
30%	31.0
40%+	21.8
<i>Total responses</i>	<i>100%</i>

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For more information see the accompanying 'SACOSS Anti-Poverty Statement 2010'

Below which of the following amounts per week would you regard yourself as living in poverty?

Below which of the following amounts per week would you regard yourself as living in poverty?	% of responses
\$800	1.6
\$650	7.0
\$500	20.1
\$350	34.0
\$200	37.3
<i>Total responses</i>	<i>100%</i>

Poverty lines vary for different household configurations, as shown below:

- Lone person: \$326 per week
- Couple only: \$462 per week
- Couple with two children: \$680 per week
- Lone parent with two children: \$549 per week

For more information see the accompanying 'SACOSS Anti-Poverty Statement 2010'

What politicians can do to address the issue of poverty

There were many different solutions put forward on how politicians should address the issue of poverty, however, the common voice amongst participants was that politicians need to understand poverty better.

In particular, survey participants suggested politicians get out in the community and talk to people about the issues they face in everyday life and what would help them out of their current situation.

Further to this, it was recommended that politicians take a leading role in the education of the South Australian community on poverty and how we can all help to alleviate it.

To address poverty politicians should...

Adelaide CBD

“Support service providers to educate and provide emotional support to people so they can live with dignity”

“Live with the poor and see what they have to endure”

North-Eastern Suburbs

“Start with affordable housing”

Southern Suburbs

“Less discussing, more real action”

“Go out to low income areas in both city and country areas to see how the people are really doing”

South-Eastern Suburbs

“Review social policy issues that maybe generating the issue of poverty”

Western Suburbs

“Raise awareness & plan a way people can get help”

“Politicians need to understand the reason of poverty”

Port Pirie

“Have a greater understanding of the impact it has on people, eg. mental health, physical health”

“Support the services that provide front line help. Accept reasonable salaries and benefits instead of being greedy. Provide more funding for services, housing, education and skills training”

“Treat poverty as a symptom of general social malaise and counter negative stereotypes of poverty groups”

Port Augusta

“Educate people/ open more homes to help the poor. Use buildings that are empty, get people off the streets”

“Make people more aware of the issues. They should get out on the streets and do surveys so they know what the real issues are for themselves”

Mount Gambier

“Instead of wasting money on things the community doesn't need and could spend the money to help the community with essentials that people might not be able to afford”

Whyalla

“Approach poverty with an open mind and listen to those people currently providing services to indicate what would be an appropriate model”

Note these comments are a representative sample of those surveyed

Anti-Poverty Week Awareness

Over 80% of those surveyed were not aware this was Anti-Poverty Week. This is an alarming statistic that shows we need to work harder to raise the profile of this very important week and the events that occur within it.

Of the small number of participants who were aware this week was Anti-Poverty Week the majority worked in the community sector or had heard about it at a community event. Only a handful of participants had heard about it through the media or other avenues.

“I live in poverty every week”

Survey Participant
Christies Beach