

SACOSS Anti Poverty Statement 2011

The South Australian Council of Social Service does not accept poverty, inequity or injustice. We have 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 plan to provide justice, opportunity and shared wealth for all in our community.

While cost of living pressures are felt across the board, they impact most on those with low incomes who have fewest options and who spend disproportionately more of their income on the basic necessities of life.

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.

With the support of its members, 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 Waikerie to Port Lincoln, revealed that while many people know that poverty is an issue in SA, they sometimes underestimate what it takes to live with even just the basics.

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 aspects of poverty in that they effect material wellbeing and limit a person's life chances. 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)¹. **That is more than one out of every ten people in our state.**

Recently released figures from the Australian Bureau of Statistics² show that:

- 28% of South Australian households could not afford a holiday for one week in the year
- 14% could not pay a gas, electricity or telephone bill on time and 2.3% could not afford to heat their homes
- 3.5% went without meals because of financial stress.

What is the 'poverty line'?

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 standard³.

Poverty lines vary for different households

Lone person—\$362.02 per week

Couple only—\$512.80 per week

Couple with two children—\$754.15 per week

Lone parent with two children—\$609.32 per week

To put this in perspective, the basic Newstart allowance for a single person with no children is around \$243 per week.



The gap

The top 20% of SA households accounted for 38.9% of all income, whereas only 8.2% of income went to the bottom 20% of households⁴.

Poverty is personal

Responses to the SACOSS Anti-Poverty Week Survey question “**What does poverty mean to you?**” revealed that many of those surveyed are themselves living this way. Respondents answer that poverty means living below a socially acceptable standard of living, being dependent on welfare and charity, when you’ve hit rock bottom, when your income does not provide for basic necessities, and when meeting these needs is a constant worry and struggle.

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No money- no choices- no social life- no opportunities, constant worry, ill health.

When you financially have less to live or survive on per week than the real cost of living. When making ends meet is a daily struggle.

Lacking the resources required to maintain the life style enjoyed by the majority forced to live on the margins of society; forced to be excluded from social participation enjoyed by the majority.

I’m broke and have nothing, I’m at rock bottom.

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Rising cost of living

The key findings of the *SACOSS Cost of Living Updates* show that the rising costs of housing, utilities, food, health and transport are compounding to put pressure on low and fixed income households. It is the cost of these basic necessities that shapes the ability or inability of individuals, families and households to participate fully in society.

Large price rises for electricity, gas and water are combining with increases in the cost of housing to make a decent standard of living simply unaffordable for many low income South Australians. Energy represents a largely fixed 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)⁵.

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 below⁶ shows 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 2010-11	% increase 2009-10
CPI – Adelaide All Groups	↑ 3.9%	↑ 2.8%
Automotive fuel	↑ 12.0%	↑ 5.6%
Health services	↑ 5.4%	↑ 5.9%
Education	↑ 5.6%	↑ 5.8%
Childcare	↑ 5.4%	↑ 5.3%
Rent	↑ 4.3%	↑ 4.2%
Food	↑ 6.0%	↑ 1.9%
<i>Fruit & Vegetables</i>	↑ 38.1%	↑ 2.6%
Utilities	↑ 13.4%	↑ 6.0%
<i>Electricity</i>	↑ 16.8%	↑ 4.8%

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 August 2011 the workforce participation rate in South Australia was 63.5% of the total population. This means that 36.5% of South Australians were not in the workforce or looking for work.

The SA unemployment rate was 5.1%, which equates to 44,300 South Australians looking for work. This was an eighteen month low, although much of the growth is in part-time employment⁷.

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.

In the face of reductions to key government anti-poverty services arising from the 2010 State Budget, SACOSS has again called on the South Australian government to develop a comprehensive Anti-Poverty Plan. The government's new South Australian Strategic Plan (2011) includes a target to increase the share of total household income earned by low income South Australians. This is a good step, but a comprehensive anti-poverty plan is needed to achieve this, and to address in a wholistic way the many underlying causes of poverty.

Only by grasping poverty's multidimensional nature can it be truly addressed.



References

- 1 Australian Council of Social Service, 2007, *Australia Fair: Update on those missing out*.
- 2 Australian Bureau of Statistics, 2011 *Household Expenditure Survey Summary of Results, 2009-10*, Table 30.
- 3 Melbourne Institute of Applied Economic and Social Research, 2010, *Poverty Lines: Australia, June Qtr 2011*.
- 4 Australian Bureau of Statistics, 2011, *Household Income and Income Distribution, Australia 2009-10*.
- 5 Government of South Australia, 2010, *Transparency statement-Part A: 2010-11 Potable Water And Sewerage Prices South Australia*.
- 6 Australian Bureau of Statistics, 2011, *Consumer Price Index, Australia June Qtr 2011*, Table 14.
- 7 Department of Education, Employment & Workplace Relations, 2011, *SA Labour Market Review, August 2011*.

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

2011 Anti-Poverty Survey

Results

Each year, Anti-Poverty Week aims to strengthen public understanding of the causes and consequences of poverty in Australia and internationally. During Anti-Poverty Week individuals, communities, organisations and governments are encouraged to act to address poverty, through research, discussion and a multitude of other activities.

For Anti-Poverty Week 2011 (16-22 October), the South Australian Council of Social Service in conjunction with Community Centres SA mobilised our networks across South Australia, reaching as far as Mt Gambier, Waikerie and Port Lincoln, and throughout metropolitan Adelaide. Volunteers surveyed people in the street and in community services, asking a range of questions about poverty. Over 300 people participated in the survey in 23 locations (metropolitan and regional).

What Poverty Means to South Australians

Most commonly, survey respondents report that poverty means the inability to meet the basic needs to support oneself or family. The basic needs identified are: access to healthy food, shelter, clothing, health, education, and employment.

Other frequent responses relate to social exclusion and the inability to participate fully in the community, living below socially acceptable standards, or being reliant on welfare and charity.

*No money- no choices- no social life-no opportunities, constant worry, ill health.
[Gawler]*

When you financially have less to live or survive on per week than the real cost of living. When making ends meet is a daily struggle. [Western Suburbs]

Lacking the resources required to maintain the life style enjoyed by the majority forced to live on the margins of society; forced to be excluded from social participation enjoyed by the majority. [Port Lincoln]

I'm broke and have nothing, I'm at rock bottom. [Adelaide Hills]

Income Poverty

The SACOSS Anti-Poverty Week surveys asked respondents to select the amount of income per week that they would regard people as living in poverty. This question was asked for a sole person and a family of two adults with two children.

Below which of the following amounts per week would you regard a sole person as living in poverty?	% of responses	
	\$800	1.7
	\$650	6.0
	\$500	18.2
	\$350	40.7
	\$200	33.4

Below which amount would you regard a family of two adults and two children as living in poverty?	% of responses	
	\$800	23.8
	\$650	24.8
	\$500	24.1
	\$350	19.4
	\$200	7.8
	Total	100

A well-known poverty indicator in Australia is the 'Henderson poverty line'. The SACOSS Anti-Poverty statement contains estimates of how much money individuals need to cover essential living costs, and represents a basic living standard.

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On this data, about one-third of survey respondents greatly underestimated the poverty-line living costs for a single person, and about three-quarters underestimated the poverty line for a family of four.

Social Security Payments

Do you think social security payments are adequate?	% of responses	
Yes	20.8%	
No	79.2%	

How many South Australians live in poverty?

The survey asked respondents to estimate the proportion of South Australians they think are living in poverty.

What proportion of South Australians live in poverty?	% of responses	
5%	4.9	
10%	19.6	
20%	24.5	
30%	30.9	
40%+	20.0	
Total	100	

While many survey respondents underestimated the poverty line, they overestimated the numbers of people living in poverty, as only about one in five respondents were close to the ACOSS survey count that one out of every ten people in our state live in poverty.

There appears to be a gap in community understanding of the reality of poverty.

What can individuals do to alleviate poverty in South Australia?

When asked what individuals can do to alleviate poverty, responses vary. Some respondents answered this question from the perspective of what individuals can do to alleviate their own poverty and others what individuals can do to help people in poverty.

Some survey respondents suggested individuals could alleviate their own situation of poverty through personal effort, including changing “bad” habits, such as smoking, gambling and drinking and going out to gain skills to secure work.

The majority of survey respondents reported that individuals who wanted to alleviate poverty should reach out to their neighbours and broader community, sharing what they could, donating their own time and money to charity.

A smaller group reported that there is little individuals can do, that this should be the role of government and that individuals need to lobby government and pay tax so that they are able to address issues of poverty.

*Actively engage in courses to upskill, to be able to seek employment.
[Mount Gambier]*

*Lend a helping hand, get more involved with your neighbours, share meals.
[North Eastern Suburbs]*

*Give to local charities so funds can be used to support people living in poverty.
[Mid Murray]*

Vote for a government that is into people's interests, not their own [Port Pirie]

Pay taxes so the government can offer appropriate support. [Southern Suburbs]

What should the government do to alleviate poverty?

The majority of the survey respondents believe that to alleviate poverty governments must prioritise and invest in education and support for people living on low incomes.

Social services provided through government and non-government organisations were highlighted as vital, and some respondents suggested increased resourcing would help address poverty. A number commented that income support provided through Centrelink was insufficient and would need to be increased to lift people in receipt of payments out of poverty. An underlying theme arising from a number of the responses: that a redistribution of wealth is necessary to alleviate poverty in South Australia.

Have more compassion for the population at large... e.g. less pay rises [for themselves], more open talk to the wider community. [Inner Northern Suburbs]

*Better support for organisations (NGO's) which provide support to community members affected by poverty..., ensure the children of those affected by poverty are given the best opportunity to break the cycle.
[Southern Suburbs]*

Increase Centrelink payments to help with the rising prices. [Mount Gambier]

Reduce incomes across highest income earners, provide more resource for community development [Port Pirie]