



# **SACOSS** **ANTI-POVERTY** **STATEMENT** **2012**



Photo: Sudip Dutta

# SACOSS ANTI-POVERTY STATEMENT 2012

The South Australian Council of Social Service does not accept poverty, inequity or injustice.

We will be a powerful and representative voice that leads and supports our community to take actions that achieve our vision.

We will hold to account governments, business, and communities for actions that disadvantage vulnerable South Australians.

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 focus 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.

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.

Poverty that is experienced for short periods of time can be deeply challenging. As an experience that continues on repeatedly year after year, poverty becomes grinding and can be profoundly dehumanising and damaging.

Poverty exists in South Australia and is more prevalent than many of us realise. However, it does not need to exist and we should never consider it an inevitable part of life, nor should we assume that those who experience poverty are to blame. We all have a responsibility to work to eradicate poverty.

## Poverty is not just about money

Poverty has more elements to it than just money, although having enough to afford the basic necessities is crucial. But 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.

## Walking 'the 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 standard.

In the June Quarter 2012, the national Henderson poverty lines for different household configurations were:

- > Unemployed lone person  
\$384.51 per week
- > Employed couple  
\$634.35 per week
- > Couple (head employed)  
with two children: \$890.69  
per week
- > Unemployed single parent  
with two children:  
\$647.18 per week<sup>i</sup>

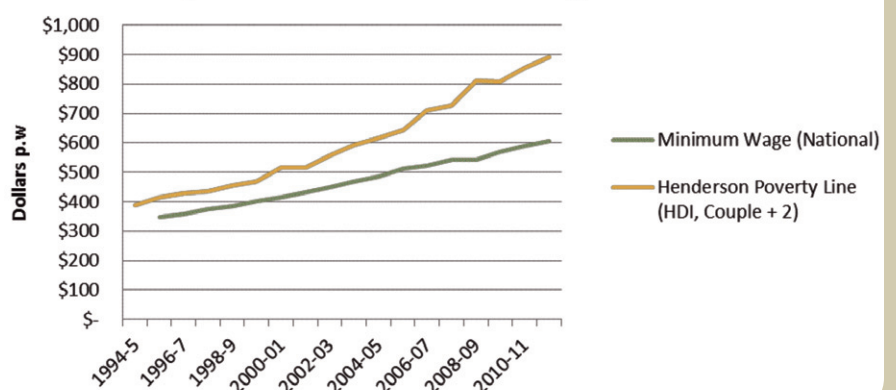
To put this into perspective, the basic Newstart Allowance plus maximum Rent Assistance for a single person with no children was only \$304.95 per week.<sup>ii</sup> That is still \$80 below the poverty line.

But people on government income support payments aren't the only Australians in poverty. Those on the minimum wage or part-time incomes are also struggling.

As the graph here shows, from the mid-1990s when the minimum wage was set around the level of the poverty line, the minimum wage has fallen behind in recent years. The national poverty line for a couple (head in workforce) with two children in the June quarter 2012 was \$890.69 per week, while the South Australian minimum wage for an adult was set at \$600 (and significantly less for workers under 20 years old).<sup>iii</sup>

Some of this gap for the low paid workers would probably be made up with government income support payments such as Family Tax Benefits, but these figures suggest both the existence of a "working poor" and also the importance of income support payments for those households.

### Poverty Lines and Minimum Wages - Australia





## Poverty in South Australia

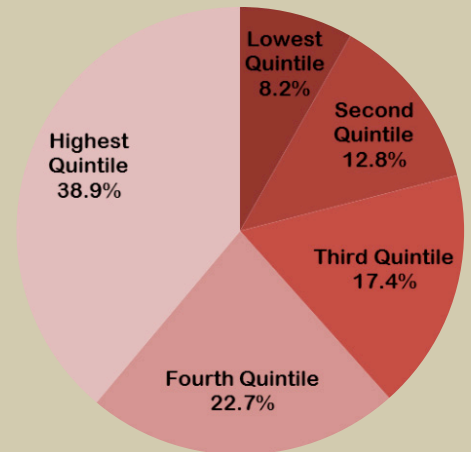
Figures released by ACOSS this week show that 12.4% of South Australians, or some 207,000 people are living below the national poverty line – measured by the more generic poverty line measure of 50% of Median Income. Given that South Australia has a lower median income than the national average, this probably inflates the number of people below the 50% of Median Income poverty line for South Australia, but there is no doubt that poverty is evident in a number of ways in this state. Figures from the last ABS Household Expenditure Survey<sup>iv</sup> show that in South Australia:

- > 28% of 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
- > 19.1% of households suffered 4 or more episodes of financial stress, with this figure jumping to 37.4% of lowest income households (lowest quintile).
- > Nearly 10% of low income households sought assistance from welfare and community agencies.

## The Gap

This poverty exists alongside high incomes and wealth. The pie chart here shows us that the richest 20% of South Australians enjoy nearly 40% of the state's income, while the poorest 20% share only about 8% of income between them.<sup>v</sup> Policy changes need to be made to decrease these disparities.

## Distribution of income





## Rising cost of living

The key findings of the quarterly 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.

Over the last year the price of food and of fruit and vegetables in particular, has decreased, but this is largely a return to more normal prices after the huge rises of the previous year as a result of natural disasters

in the eastern states. In the last ten years, food has gone up about one-third more than the general inflation rate. And there is little relief for young families with the cost of childcare and education increasing markedly in the last year.

The table below shows price increases in a range of basic expenditures and indicates how the generalised "CPI All Groups" index (the general inflation measure) masks the real rises in these essential expenses.

### Price rises in Adelaide 2011-12<sup>vi</sup>

CPI – Adelaide All Groups	1.2%
Automotive fuel	3.6%
Health services	3.6%
Education	6.4%
Childcare	15.1%
Rent	2.9%
Food (Fruit & Vegetables)	-3.1%
Utilities	15.0%

## 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.

The workforce participation rate in South Australia is currently 63.2%, which is 2% below the national average. The unemployment rate in May 2012 was 5.2%. This was on par with the national average, but still equates to 58,687 working-aged South Australians seeking employment<sup>vii</sup> However, as we saw in relation to the minimum wages, some of these 'employed' citizens may still be living below the poverty line. The same may also be true for the 8.2% of South Australians facing underemployment.<sup>viii</sup> Although technically in the workforce, underemployed workers do not have the desired amount of paid work, and are therefore likely to have low incomes.

In many instances these people may need their income supplemented by Government pensions and allowances.

The economy in South Australia is changing and where the manufacturing industry is shrinking, increasingly many jobs and therefore employment opportunities now require qualified and highly skilled workers. This is particularly problematic for anyone with limited education and skills, as there are less and less well paid and rewarding employment opportunities available.

## Conclusions and Recommendations

Economic growth does not automatically lead to a reduction in poverty. There needs to be holistic, 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.

This year the State Government announced “affordable living” as a key priority area and we look forward to policies that will make a difference in the lives of vulnerable and disadvantaged South Australians.



Photo: Kevin Rohr

# 2012 Anti-Poverty Week 'The SACOSS Challenge'

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.

This year SACOSS in partnership with Community Centres SA challenged South Australians to see whether they could create a mock healthy food basket for just \$61. The basket needed to contain all the food that one person would need to eat well for a week. The challenge aimed to engage participants in thinking about how people can remain healthy and well-nourished, when living on below poverty line incomes.

Expenditure was limited to \$61, which is approximately 20 per cent of the income for a person living on a Centerlink Newstart payment. The 20 per cent figure was used because it is the average proportion of household expenditure spent on food for low income households in South Australia (this figure is slightly higher than the average for all households) (ABS 2011). The income was calculated for a single person receiving Newstart at \$244.85 per week, plus the maximum rent allowance that they could receive, which is \$60.10 per week. So, 20 per cent of an income of \$304.95 equals \$61 for one week.

A number of community centres took up the challenge and put considerable thought and creativity into their submissions. They used the challenge as an opportunity to engage with people accessing their programs and facilities in thinking about the issue of poverty.

In doing so, the reality of some people's food budgets arose. One community centre reported that when creating their budget and shopping list, some of the people involved reflected that "they would be lucky to have that much food for a fortnight, let alone one week". This speaks to

the inadequacy of Newstart payments and the rising cost of living (see SACOSS's quarterly Cost of Living Updates for more information).

Comments about the experience of doing the exercise were included with submissions. One observation was made about the cost of other necessary grocery items such as toiletries, washing powder and toilet paper and whether these items should be included in the grocery budget of \$61. The exercise would have been more difficult if people were asked to do this.

There was evidence of the higher cost of grocery items in more remote rural locations compared to metropolitan locations. An entry from Milang Community Centre created a shopping basket from the nearest large supermarket and then compared the cost of the same items if purchased at a local convenience store. Given the town has no public transport, the exercise showed how difficult it would be if the person did not have access to transport. The healthy food basket cost \$60.43 at the nearest supermarket (a 42 km round trip) whereas it cost \$95.70 at the local store.

Another entry, from Thebarton Neighbourhood House, commented that "it is all very well to save money by budgeting wisely for food, but then it is easy to defeat the purpose by using expensive heating methods for cooking". The entry described energy saving tips, such as turning an electric hotplate off 10 mins before finishing cooking, covering the pot and allowing it to continue to cook as the hotplate cools.



It also included modern and inventive twists on old-style fireless cooking methods, where food can be heated then placed in insulation, to continue the slow cooking process. These ideas show the impact of increasing electricity prices on the lives of people living on low incomes.

The first place winner of the competition and one of the most comprehensive submissions to the challenge came from the Seeds of Affinity Group at the Bowden Brompton Community Centre. Seeds of Affinity is a support group for women who have lived prison experience. Their entry included a week's menu for breakfast, lunch, dinner, dessert and snacks, the shopping list and recipe ideas. The meal plan and recipes included well thought through strategies to maximise the efficiency of ingredient use. For example, the group suggested starting preparation of the evening meal at breakfast time on the day they plan to have chicken schnitzel. By doing this, the left over egg used to crumb the chicken breast can then be eaten as scrambled eggs for breakfast. Another recipe, this time for meatballs, says it makes more than enough for one and suggests inviting a friend over to share. Another makes use of the rosemary that is free to people who want to take a sprig because its branches poke through a fence in the local area. The Seeds of Affinity entry reflected a keenly balanced shopping list and meal plan that reduced waste and maximised the use of ingredients.



Many of the entries from people taking up the challenge were evidence of the need for people living on welfare benefits to become experts at shopping, budgeting and trying to eat healthily on limited incomes.

Submissions to the competition shared ingenious ideas, recipes and other cost saving techniques they used in order to provide adequate nutritious food on \$61 per week. However it is important to note from the competition responses, the labour intensive nature and effort needed to maximise the quality and quantity of items in the healthy food basket. Many participants had

checked grocery prices at multiple stores, monitored specials and pre-planned menus for the week or month ahead.

Also of significance is the fact that the competition was simply an exercise. In real life people need to account for other ongoing and unexpected expenses in their limited budgets, with other expenses likely to impinge on money set aside for food, making the task more difficult.

# 2012 Anti-Poverty Week

## 'The SACOSS Challenge'

### Clever \$ saving tricks

Find out where you can access free herbs, fruit and vegetables in your neighbourhood, whether it be from community gardens or hanging over/through fences into public spaces. Try growing them from seed and offer to swap produce with that of a friend or neighbour.

Buy items on special. But always decide beforehand how the items will be used, so as not to buy unnecessary items or quantities that will need to be later discarded.

Use vegetable trimmings and leftovers to make vegetable stock that can be used in sauces, soups and stews.

Cook more than one serving of meals and carefully conserve leftovers to have for meals at another time.

### Shopping list

Home brand 1 kilo Plain & 1 kilo SR flour (95c each)	\$1.90
3 loose mushrooms	\$1.64
Home brand eggs- 1 dozen	\$3.00
Home brand wholemeal bread	\$1.00
Home brand margarine	\$1.40
Yogurt Vanilla 550g	\$3.39
Home brand 1 kilo sugar	\$1.50
Goulburn Valley Peaches 490g	\$1.49
Home brand mature cheddar cheese 250g	\$3.49
Home brand tin tomatoes	\$0.80
Home brand baked beans	\$1.00
Tinned corn kernels	\$1.39
Tinned 4 bean mix	\$1.10
Tinned peas	\$1.29
Tinned Tuna 425g	\$1.97
Home brand passata tomato sauce	\$2.15
Rice 1 kilo	\$1.59
Minced beef 500g	\$3.00
1 Chicken breast	\$2.50
Mixed salad lettuce packet	\$2.00
Brown onion _ kilo	\$1.50
Oranges- 2 kilo (12 pieces)	\$3.00
Cucumber	\$1.20
Potatoes- 2 kilo	\$3.90
Granny smith apples-1 kilo (6 apples)	\$1.98
Carrots 1 kilo fresh	\$1.20
Jelly- orange	\$0.95
Home brand long life milk 2 litres	\$2.00
Home brand penne pasta (dry)	\$0.95
Cinnamon	\$1.34
Soup mix x2 (French onion & chicken noodle)	\$0.76
Vita Fresh 3 sachets lime flavour (makes 3 litres)	\$1.99
Caesar dressing	\$1.63
Banana (old) 1 kilo	\$1.00
<b>Total</b>	<b><u>\$61.00</u></b>



### Recipe- Bonnie's Pension Day Pie

1. Mix together chopped vegetables, four bean mix, corn, carrot, onion and potato.
2. Add 1 beaten egg and a packet of chicken soup mix.
3. Add grated cheese on top and place in the oven until vegetables are soft and cheese is browned.



## Endnotes

ABS (2011), Explanatory Notes, *6463.0 Analytical Living Cost Indexes for Selected Australian Household Types, March 2010*. Australian Bureau of Statistics, Canberra, viewed 3 May 2011.  
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<http://melbourneinstitute.com/downloads/publications/Poverty%20Lines/Poverty-lines-Australia-June2012.pdf>
  - <sup>ii</sup> Centrelink, *A Guide to Australian Government Payments*, July 2012. Australian Government, Canberra.
  - <sup>iii</sup> Safework SA, Rate Sheet for Minimum Wages at  
[http://www.safework.sa.gov.au/uploaded\\_files/Minimum%20Wage%20Rate%20Sheet\\_January\\_2012.pdf](http://www.safework.sa.gov.au/uploaded_files/Minimum%20Wage%20Rate%20Sheet_January_2012.pdf)
  - <sup>iv</sup> ABS (2011), 65300DO001 *Household Expenditure Survey, Australia: Summary of Results, South Australia*, Australian Bureau of Statistics, Canberra.
  - <sup>v</sup> ABS (2011), *Household Income and Income Distribution*, Australian Bureau of Statistics, Canberra.
  - <sup>vi</sup> ABS (2012), 6401.0 - *Consumer Price Index, Australia*, June 2012. Australian Bureau of Statistics, Canberra.
  - <sup>vii</sup> ABS (2012) *State and Territory Statistical Indicators 2012, SA, Unemployment*.
  - <sup>viii</sup> ABS (2012) *Labour Force*, August 2012, Table 23.
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