

# Poverty and disadvantage

## What is Poverty?

Poverty takes on many forms and has many causes. Poverty is affected by access to work and income, education, housing, health and community services. A recent Australian Council of Social Services report focussed on three yardsticks to compare the living standards and well being of low income households: **deprivation** of essential items (such as a decent and secure home and access to dental treatment), **income poverty**, and **budget standards**. These three dimensions provide a more comprehensive picture of poverty in Australia than only looking at income.

### Deprivation

Deprivation, or lacking the 'essentials of life' such as a decent and secure home and access to dental treatment, is the first yardstick. One study showed a huge number of people without access to the 26 items identified as basic essentials. 'Multiple deprivation' — where people cannot afford at least three of the 26 essential items — affects one in five South Australians.

### Income poverty

A second yardstick to measure hardship is income poverty, or having an income that falls below an acknowledged poverty line set at minimum income levels considered necessary to achieve a decent standard of living.

- Social security payments remain well below typical community incomes.
- In July 2009, a sole parent with two school age children on Parenting Payment receives \$585.06 per week (including Family Tax Benefit A & B).
- The average weekly (ordinary time) earnings for a full time worker in South Australia of \$1127.10.
- Just over 28% of households in South Australia have their principal source of income from government pensions and allowances compared to a national average of 23.2%.
- From 1993–94 to 2005–06 the number of South Australians living in poverty rose from 6.7% to 12.3%. This is based on number of people living on less than 50% of median disposable income, making South Australia one of the poorest states in the nation. Median income is the level of income which divides a group into two equal parts, one half above the median and the other half below the median.
- Particular groups are at much higher risk of being in

poverty, such as 95% of unemployed households, almost half of single adults over 65 years.

- In South Australia in 2008, when faced with a shortage of money, 40.5% of welfare recipients went without food when hungry and 49.4% had to seek help from a welfare agency.

### Budget standards

A third yardstick to measure hardship is Budget Standards — these are household budgets developed by experts to measure what is required to meet basic needs and restricted to essential items. People on Parenting Payment (mainly sole parents), Newstart Allowance (unemployed people), and Disability Support Pension stood out as being well over twice as likely as the general community to go without most of these items.

## Factors affecting poverty

- If you live in the **outlying** suburbs to the north and south of metropolitan Adelaide or in some regional areas of South Australia, you are more likely to experience poverty and disadvantage.
- An increasing number of **women** are dependent on government benefits.
- **Education**, housing and health care (including dentistry) costs are increasing well beyond the rate of increase in household incomes.
- The global financial crisis has resulted in a spike in the **unemployment** rate for South Australia from 4.6% in August 2008 to 5.8% in August 2009 (equal to the national rate).
- One in seven **children** grows up in a household with no employed adult.
- **Long term** unemployment remains a significant issue for South Australia, with men in South Australia remaining

**Our Position Statement**  
**Anglicare SA** acknowledges and actively promotes the right of all people to adequate income to achieve the basic essentials of life including nutritious food; accommodation and access to services which are appropriate to their needs and circumstances. To uphold this right, Anglicare works to prevent poverty through economic participation and support people to maintain or secure appropriate resources, including income.

unemployed on average 14 weeks longer than the national average.

- South Australians are strongly dependent on informal **child care** as the cost of child care is beyond the reach for many low–medium income households. Those with special needs, such as care for children with autism, remain a problem for many parents.

### Stimulus payments

Contrary to the perception of some in the community that the government's stimulus payments were 'free' money and would not make any difference, through Anglicare SA's financial literacy services, many clients advised that the stimulus payment was quite life changing. Many clients on low income remain in poverty as they never have the opportunity to improve their assets. For many clients the payment was used to pay off credit cards; fix or service their car, bought new whitegoods or brought rent or bills up to date.

## Anglicare and advocacy

Anglicare SA speaks out on issues affecting people experiencing poverty and hardship through participation in a number of organisations and advocacy groups of campaigns, including:

- South Australian Council of Social Services (SACOSS) [www.sacoss.org.au](http://www.sacoss.org.au)
- Australian Council of Social Services (ACOSS) [www.acoss.org.au](http://www.acoss.org.au)
- Anti-poverty week [www.antipovertyweek.org.au](http://www.antipovertyweek.org.au)

## How can you help?

- Through donations: monetary, food, clothing, household items.
- Volunteering to help Anglicare.
- Using the services of Anglicare's economic participation programs.
- If you are interested in becoming involved in Anglicare SA's advocacy work, email [advocacy@anglicare-sa.org.au](mailto:advocacy@anglicare-sa.org.au).

### Sources

'Working poor in Australia An analysis of poverty among households in which a member is employed'. Payne, Alicia. *Family Matters*, 2009, Issue 81, p15-24

Davidson, P. 'Who is missing out? Hardship among low income Australians', *Australian Council of Social Service*, 2008.

Australian Bureau of Statistics, 1345.4 - SA Stats, Sep 2008, INCOMES

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Australian Bureau of Statistics, August 2009, 6202.0 - Labour Force, Australia, Aug 2009

## The emerging poor

Here behind the comfortable facades of beautiful Adelaide, there are families sleeping in cars; there are children going hungry each night; and there are people silently crying out for help. Following the recent global financial crisis Anglicare is seeing an increase in the number of people in need of assistance — such as those families where one or more members have lost their job or experienced reduced working hours. The impact of the global financial crisis on jobs and on those relying on savings and superannuation income is resulting in a new group of people at risk of poverty — the emerging poor. Past experience of recessions shows that if these people are not helped now and the battle is lost for these new emerging poor, the social and emotional toll will be great and long-lasting.

### Jenny

came to Anglicare at the Elizabeth Mission. She had six children and was living in a tent in someone's backyard. She had arrived in Adelaide several months previously, having escaped domestic violence in her own state. She had no clothes, no furniture, no household items: and as the weather was getting colder she had worn out her welcome with the family who had taken her in. She was advised she was not considered homeless and in urgent need by public housing as she had a tent and a backyard to live in. Anglicare helped Jenny to gain private rental, provided assistance to obtain a bond and two weeks rent from Housing SA and a package of furniture and household items from West Works. She bought a fridge and washing machine with a No Interest Loan. Jenny paid back the loan at an affordable \$20 per fortnight. The family were also supported with financial counselling and set up direct debit payment for the rent and utilities to avoid future hassles. Jenny no longer has contact with Anglicare as she has been able to overcome most of her initial problems — and she is working part time.