



Illawarra Forum Inc

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The regional peak organisation for community services in Shellharbour, Kiama, Shoalhaven, Wingecarribee and Wollongong Local Government Areas.

How to measure poverty

As community workers we need to describe the communities we work with. We need to identify exactly what makes these groups of people unique. We often talk about disadvantaged communities or social exclusion but what exactly do we mean?

We can use a number of models to describe and measure poverty. These are:

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Income

Using the 2006 Census of Population and Housing we can compare income in our local area with the national average.

Income (Population aged 15 years and over) by LGA

	Kiama LGA	Shellharbour LGA	Shoalhaven LGA	Wollongong LGA	Australia
Median individual income (\$/weekly)	453	391	349	391	466
Median household income (\$/weekly)	1,052	938	659	933	1,027
Median family income (\$/weekly)	1,218	1,107	849	1,149	1,171

We can find the same information by suburb.

	Bellambi	Berkeley	Warrawong	Australia
Median individual income (\$/weekly)	330	309	246	466
Median household income (\$/weekly)	619	662	500	1,027
Median family income (\$/weekly)	773	917	626	1,171

Household income is the sum of the individual incomes of each resident present in the household on Census Night.

Family income is the sum of the individual incomes of each family member present in the household on Census Night. (It does not include non-family households such as group households or lone person households; or to people in non-private dwellings.)

To look at the stats on income go to the Australian Bureau of Statistics www.abs.gov.au under Census Data QuickStats

To put our local areas in perspective we can look at the 2006 Census data presented by electorate.

Out of the 150 federal electorates in Australia (ranked richest to poorest), for the proportion of families with a weekly income below \$650:

Cunningham has 23.5%, ranking 88.

Throsby has 27.7%, ranking 121.

Gilmore has 34.6%, ranking 147.

Out of the 150 federal electorates in Australia (ranked poorest to richest), The proportion of families with a weekly income above \$2000:

Gilmore has 9.2%, ranking 11.

Throsby has 14.3%, ranking 52

Cunningham has 22.7%, ranking 109.

From this we can see that the electorate of Gilmore has both some of the richest and the poorest people in the Australian community.

Electoral Division Rankings. Census 2006. Research Paper. Parliamentary Library.

Unemployment

Rates of unemployment used to be a major indicator of poverty. The current rate of unemployment is 4.2%, the lowest in Australia for thirty years. However the unemployment rate for the Illawarra is 8% and for Wollongong 8.2% (September 2007). yet youth unemployment can be much higher. In the Illawarra, the teenage unemployment rate for the year ending April 2007 was 38.2% and for Wollongong 42%. (Media release from Jenny George, Federal Member for Throsby May 2007)

Unemployment rates do not help us to understand the implication of poverty among the working poor.

For stats on unemployment go to the Australian Bureau of Statistics www.abs.gov.au under Labour Force (Labour force status by regions, unemployment rate)

Housing stress

Disposable income is a more reliable indication of poverty. The rent or mortgage is people's biggest bill.

Households are in housing stress if they pay more than 30% of their income on housing and have incomes in the lowest 40% of the income distribution range.

Home buyers and private renters spend an average of 64 percent of their income on housing costs.

Housing-related poverty affects people in these ways:

- Some are unable to afford basic expenses.

- Some experience a negative impact on their health.

- Some are in debt resulting from bills and rental arrears.

- Some are in sub-standard housing.

- Some are disadvantaged by location.

- Some experience shame due to continued financial dependence on family.

- All can afford few recreation and leisure activities.

Housing stress in Changing Pressures No12 February. Brotherhood of St Laurence. 2003

Using the 2006 Census of Population and Housing we can get an indication of how many people in our area are experiencing housing stress. For example, looking at the 2006 Census Table Gross household income (weekly) by rent (weekly) for family households, we can calculate the number of households who pay more than 30% of their income in rent. The number under housing stress is approximately 600 out of the 5,420 households (whose income is less than \$999 per week) in Shoalhaven Local Government Area.

To look at the stats on income and rent go to the Australian Bureau of Statistics www.abs.gov.au under Census Tables

Poverty lines

The poverty line, used by the OECD (Organisation for Economic Development and Co-operation), is 50% of the median (middle) disposable income per week for all Australian households for a single adult. Thus the poverty line in 2006 was \$281 for a single adult. To adjust for the number of adults and children in the household, assign a weight of 1.0 to the first adult, 0.5 to the second adult and 0.3 to each child. So the poverty line for one parent with two children was \$450 per week in 2006.

Table 16 Household Income and Income Distribution Australia 2005 - 6 6523.0 Australian Bureau of Statistics www.abs.gov.au

Research based on the poverty line indicates that some groups in Australia are more likely than others to live below the poverty line, including:

- 40.2% of unemployed people

- 39.0% of single adults over 65 years

- 31.5% of all people whose main income is social security

- 22.8% of single adults of workforce age

- 11.4% of sole parent families.

A Fair Go for All Australians. Australian Council of Social Services. 2007

People with a disability generally live below the poverty line even before accounting for the costs of a disability.

The Wellbeing of Australians – Carer Health and Wellbeing Robert A Cummins, Deakin University 2007

The Costs of Disability and the Incidence of Poverty. Social Policy Research Centre. Discussion Paper No. 147. Peter Saunders. 2006

Deprivation

Another way of understanding poverty looks at:

- Insufficient income
- Deprivation in relation to goods and services
- Social exclusion, the experience of not being able to fully participate in mainstream society

A recent report 'Left out and missing out' identified these essential services and items.

These are the services for key health and wellbeing:

- Medical treatment, if needed
- A substantial meal at least once a day
- Able to buy prescribed medicines
- Disability support services, when needed
- Dental treatment, if needed
- Aged care for frail older people
- Access to mental health services if needed
- Someone to look after you if you are sick and need help around the house
- Access to a bulk billing doctor

These are the essential items:

Home

- Warm clothes and bedding, if it's cold
- A decent and secure home
- A roof and gutters that do not leak
- Secure locks on doors and windows
- Furniture in reasonable condition
- Heating in at least one room of the house
- A telephone
- A washing machine
- Home contents insurance

Mobility and local access

- Access to local doctor or hospital
- Streets that are safe to walk in at night
- Good public transport in the area
- Access to a bank or building society
- A public telephone

The essentials for children are:

- A substantial meal at least once a day
- Safe outdoor space for children to play at or near home
- Children can participate in school activities and outings
- Yearly dental check up for children
- A local park or play area for children
- A hobby or leisure activity for children
- Up to date school books and new school clothes
- Childcare for working parents
- A separate bed per child

Left out and missing out: Voices from the margins. A joint initiative of Mission Australia, Anglicare, ACOSS, Social Policy Research Centre, Brotherhood of St Laurence. 2007

Social exclusion and social disadvantage

“Social exclusion happens when people or places suffer from a series of problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, ill-health and family breakdown. When such problems combine they can create a vicious cycle”

UK Social Exclusion Unit

The groups most at risk of social exclusion are:

- Indigenous people
- Children in low income families
- People with disabilities
- Single parents,
- Refugees and asylum seekers

Social exclusion can often create an intergenerational cycle of disadvantage and can become concentrated in particular communities.

Social issues and advocacy and influence agenda. The Benevolent Society. 2007

Professor Tony Vinson’s research – Dropping off the edge – ranks geographic areas of social disadvantage in Australia. He finds that a small number of communities are massively over-represented when it comes to the factors that cause or demonstrate disadvantage.

These communities, in pockets of concentrated disadvantage, have become entrenched across rural and remote as well as suburban Australia. They are caught in a web of low school attainment, high unemployment, poor health, high imprisonment rates and child abuse.

“The piling of disadvantage on disadvantage has harmful consequences for the individuals and families affected and can spill over to the next generation.”

(Tony Vinson in a speech at the launch of the report in February 2007)

These indicators of disadvantage are:

- Social distress: low family income, rental stress, home purchase stress, lone person households.
- Health: low birth-weight, childhood injuries, immunisation, disability / sickness support, life expectancy, psychiatric patients: hospital / community, suicide.
- Community safety: child maltreatment, criminal convictions, imprisonment, domestic violence.
- Economic: unskilled workers, unemployment, long-term unemployment, dependency ratio, low mean taxable income, limited computer use / internet access.
- Education: non-attendance at preschool, incomplete education, early school leaving, post-schooling qualifications.

The New South Wales postcodes in order of disadvantage are:

BAND 1: Bonalbo (2469), Brewarrina (2839), Kempsey (2440), Lightning Ridge (2834), Tingha (2369), Windale (2306)

BAND 2: Bowraville (2449), Casino (2470), Deepwater (2371), Menindee (2879), Urunga (2455), Wellington (2820)

BAND 3: Armatree (2831), Coraki (2471), Harrington (2427), Nambucca Heads (2448), Tweed Heads (2485), Walgett (2832)

BAND 4: Forster (2428), Kurri Kurri (2327), Toukley (2263), Weston (2326), Woodenbong (2476), Wilcannia (2836)

BAND 5: Boggabilla (2409), Claymore (2559), Koorawatha (2807), Lake Cargelligo (2672), South West Rocks (2431), Tenterfield (2372)

BAND 6: Ashford (2361), Bourke (2840), Broken Hill (2880), Diamond Head (2443), Iluka (2466), Inverell (2360), Mt. Druitt (2770), Sawtell (2452), Taree (2430), Warrawong (2502)

Dropping off the edge: the distribution of disadvantage in Australia. Professor Tony Vinson. University of Sydney. 2007

Other reading

Income poverty, subjective poverty and financial stress. Social Policy Research Paper No 29. Gary N Marks. Australian Government Department of Families, Community Services and Indigenous Affairs. 2007