

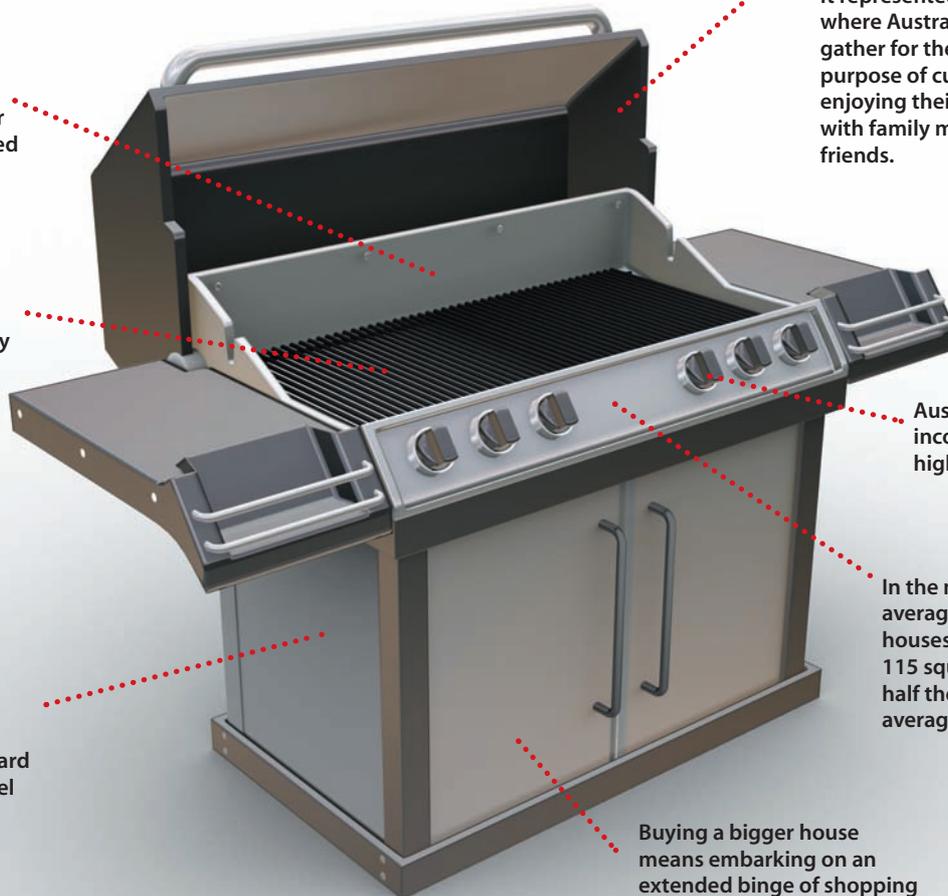
Comment

Affluenza in Australia

The kitchen in the home is being duplicated by super barbecues promoted as the 'kitchen outdoors'.

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The barbie has traditionally served as the symbol of Australian egalitarianism. It represented the place where Australians could gather for the simple purpose of cultivating and enjoying their relationships with family members and friends.

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In the mid-1950s, the average size of new houses was around 115 square metres – half the size of today's average new house.

Buying a bigger house means embarking on an extended binge of shopping in order to fill it up.

Dr Clive Hamilton is Executive Director of independent public policy research centre, The Australia Institute. Much of his recent work with Institute colleagues has been to highlight the issue of consumption spending, and the relationship between wealth and overall satisfaction with life. Research shows that despite generally having higher incomes, better living standards and significantly more household goods, people appear to be less happy.

It is widely accepted that people believe that they need more money than they have, no matter how wealthy they happen to be. Most people act as if more money means greater happiness, but when people reach the financial goals they aspire to, they do not, in fact, feel any happier. Instead of wondering whether the desire for more money is the problem, they raise their threshold of desire; this is an endless cycle.

Studies have shown that most people would prefer an income of \$50 000 where the average is \$40 000, than an income of

\$70 000 where the average is \$100 000. In other words, most people would rather be poorer, as long as others are poorer still.

Rising incomes over the last decades have been accompanied by a greater increase in the levels of expectation about what is needed to live a decent life. Since the level of expectation always stays in advance of actual incomes, many people, who, by any historical or international standard are very wealthy, feel themselves to be doing it tough.

According to a Newspoll survey, 62 per cent of Australians – nearly two-thirds –

believe that they cannot afford to buy everything they really need. When we consider that Australia is one of the world's richest countries, and that Australians today have incomes three times higher than in 1950, it is remarkable that such a high proportion feel that their incomes are inadequate. It is even more remarkable that among the richest 20 per cent of households – the richest people in one of the world's richest countries – almost half (46 per cent) say that they cannot afford to buy everything they really need.

... the barbecue becomes an opportunity to outdo the neighbours and other family members, where the objective is not so much to share a meal ... but instead to engage in an ostentatious display of worldly success.

Without any doubt, the primary area of excessive consumption spending in Australia is the home. Today's houses are bigger, with more bedrooms and bathrooms and are increasingly filled with luxurious fittings and appliances. In the mid-1950s, the average size of new houses was around 115 square metres – half the size of today's average new house.

The expanding size of houses has been occurring at a time when the average number of people in each household is shrinking. In 1970 there was an average of 3.3 people to each household. By 2000 it had fallen to only 2.6, a 21 per cent decline over the three decades from 1970. Expressed another way, in 1970 an average new house had 40 square metres of floor space for each occupant; today each person has 85 square metres. No wonder house prices have risen so dramatically; we seem to want so much more space.

As a result, many families float around in dwellings with far more space than they can use – spare space that must still be filled with furnishings, appliances, carpets and curtains. They must be heated, cooled and cleaned, adding to the resources needed to maintain the home. In other words, buying a bigger house means embarking on an extended binge of shopping in order to fill it up, and, as *House & Garden* magazine declared last year, 'what was once considered extravagance is now considered the norm'.

Increasingly, Australians are not satisfied with standard appliances but demand high-quality professional ones. Instead of a standard gas or electric stove, kitchens are adorned with ovens with six cooking functions, turbo grills, touch controls, triple-glazed doors and the ability to defrost food before cooking.

The kitchen in the home is being duplicated by super barbecues promoted as the 'kitchen outdoors'. While a barbecue in the 1980s was typically assembled at home from 150 bricks, a hot plate and a wood storage area, today the Grand Turbo, described as 'Australia's most prestigious gourmet outdoor entertainment system', will set you back \$6990. Made of vitreous enamel, it boasts electronic multi-spark ignition in each of six burners, deluxe cast iron plates and a dual glass window roasting hood. It can roast, smoke, bake and grill.

There is something unsettling about a \$7000 barbecue. The barbie has tradition-



Life on remote control isn't necessarily great.
Don Saunderson

ally served as the symbol of Australian egalitarianism. It represented the place where Australians could gather for the simple purpose of cultivating and enjoying their relationships with family members and friends. Unpretentious, convivial, reflective, in a quiet way the barbecue was where Australians celebrated their culture.

All that is destroyed when the barbecue becomes an opportunity to outdo the neighbours and other family members, where the objective is not so much to share a meal cooked before the gaze of those we are close to but instead to engage in an ostentatious display of worldly success. Yet these super-barbecues are 'flying out the doors' of the retailers.

Consumerism reaches ever-higher levels of absurdity, yet most of us are blind to it. Today we spend more on our pets than on foreign aid. There is a booming market for dried pig's ears, a treat for your dog priced at \$100 a kilo. Other pet products include canine nail polish, flotation jackets for dogs so you can take them white-water rafting, fish food that sinks more slowly than usual to cater for fish that prefer to eat at different depths, energy treats for turtles, breath-freshener for cats and anti-flatulence tablets for dogs.

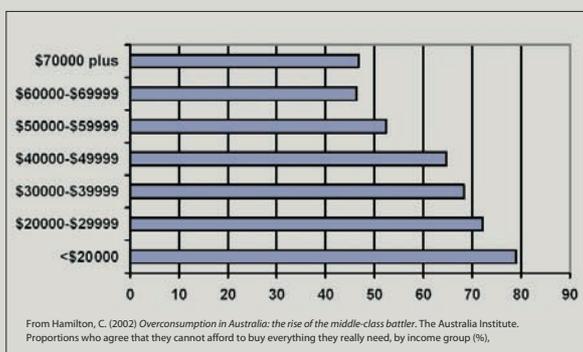
If we stand back and look, it is surreal. Recently, glossy ads for the Hitachi plasma screen TV have appeared. It comes with a 'remote Power Swivel Stand [that] allows you to adjust the screen 30° either direction of centre from the comfort of your chair'. Explain that to me. Is this what civilisation in Australia has come to – the ability to shift our TVs a few degrees without having to get out of our armchairs?

● **Dr Clive Hamilton** is co-author, with Richard Denniss, of *Affluenza* (Allen & Unwin 2005).

More information:
The Australia Institute: www.tai.org.au

Not happy Jan – How high income earners aren't satisfied

- A national survey of 12 000 earners by The Australia Institute revealed that:
- Of those with a household net worth greater than \$3 million, only 1-in-5 regards themselves as prosperous. 7% said they are poor or just getting by. Only 5% of Australian millionaires regard themselves as prosperous.
 - Of those with household incomes greater than \$100 000, only 5% considered themselves prosperous. Only 9% said they were totally satisfied.
 - In the lowest income group of less than \$25 000,



Proportions who agree that they cannot afford to buy everything they really need, by income group (%).

9% said they are happy with what they earn. 21% of people in the lowest income group said they are totally satisfied with life generally, while only 13% in the highest income group felt that way.