



More than

# 13.2%

of Australians are living below the poverty line

### What is the poverty line in Australia?

In Australia, the poverty line is generally defined as 50% of median household income.

This was \$433 a week for a single adult or \$909 for a couple with two children in 2015-16.<sup>i</sup>

### How many people are living in poverty in Australia?

The ACOSS/UNSW [Poverty in Australia](#) 2018<sup>ii</sup> report found:

- In Australia, there are more than 3 million people or 13.2% of the population living below the poverty line. That includes 739,000 children or more than 1 in 6.
- Many of those affected are living in deep poverty – on average \$135 a week below the poverty line.

## What has happened to poverty rates over the last 30 years?

Research by the **Productivity Commission** has found that despite 27 years of uninterrupted economic growth, the proportion of Australians living on very low incomes (9-10%) has not changed.

*"It has varied a bit throughout that period but today, for 2 million or so people, we are where we were thirty years ago. It is not the same 2 million, as the mobility data shows. But the proportion of our society apparently doing very poorly should have reduced over that thirty years."*

Their report shows that *"forms of poverty for children in particular have actually risen over the last twenty years."*<sup>iii</sup>

### What does living in poverty really mean in Australia?

Poverty is about a lack of money – both income for now and savings or wealth. But it can also be about not having a lot of other things - affordable housing, access to good education or health services.

While many Australians juggle payments of bills, people living in poverty have to make difficult choices – such as skipping a meal to pay for a child's textbooks or not heating or cooling their home.

# 16%

## of Australians

surveyed in June 2018 said they could not afford to buy basic necessities such as food or shelter in the last 12 months.<sup>iv</sup>



# FAST FACTS

## Poverty in Australia



anti-poverty week

act on poverty

The **Foodbank Hunger Report 2018** found a similar proportion, (14% of Australians), are eating less food than they need because they lack the money or other resources to obtain food. All around Australia there are people who don't know where their next meal is coming from. In 2018, more than 4 million Australians (18% of the population) have been in a situation where they have run out of food and have been unable to buy more<sup>v</sup>. When food becomes a discretionary item - many are forced to either cut down on the size of their meals (56%) or skip a meal (54%) at least once a week to make the food last longer.

People seeking help from **The Salvation Army Moneycare** program in 2017-18 needed to prioritise housing and utilities and spent less on food, transport and health than other Australians. The study looked at 30,000 clients over 10 years from 2008-9 and found a doubling in the percentage of people with a pay-day loan (from 6% to 13%), the value of that debt had tripled in real terms and were spending more than 10% of their income servicing pay-day loans.<sup>vi</sup>

*I'm a single mum who's studying and trying to survive and support my son on Austudy. It's so hard. I have to go to charities for help with food. I worry a lot about how to pay my bills and this takes away from my ability to study successfully. Sometimes I can't afford the fuel to get my son to school. The poverty is extreme and heartbreaking and sometimes seems insurmountable.<sup>vii</sup>*

*It's always a focus on rent and food for me. I don't like to look like I'm struggling with money. You need to set aside money to buy a jacket for a job interview. That comes out of groceries. You have to compromise a lot. It can make you feel quite isolated because you can't go out with your friends and you're always worried about money... Things like Christmas and Easter and people's birthdays, you feel bad not being able to give someone a present. But it's just the way you live.<sup>viii</sup>*

## What groups of people are more likely to be living in poverty?

The **ACOSS/UNSW *Poverty in Australia 2018***<sup>ix</sup> report found:

Those experiencing poverty at the highest rates are those unable to find paid work, relying on government allowances – Youth Allowance (64%) and Newstart (55%).

Many Indigenous communities have substantially higher levels of income poverty than non-Indigenous communities. Across Australia around 30% of Indigenous people live in poverty, with this rate increasing to as high as 50% in remote communities.

A major source of child poverty is the high poverty rate (32%) among sole-parent families, who must generally rely on a single income.

There were nearly 1 million (968,000) people living in poverty who relied on wages as their main source of income. Data from the **Centre for Future of Work** published in May 2018, showed in 2017 for the first time, less than half of all people employed were in paid full-time employment with leave entitlements.<sup>x</sup>

Relying on income support and renting in the private market also increases the risk of poverty, for example the poverty rate for people aged over 65 is 11.6% but if privately renting, this rises to 43.4%.

Since 2006, poverty has been falling in major cities while increasing in remote communities.<sup>xi</sup>

Don, a Newstart recipient in his 60's who previously worked as a mechanic for 40 years, manages bill payments by not using heating, goes to bed early to cope with the cold and visits libraries and supermarkets to cool down on extreme heat days.

*"The only welfare payment that is currently keeping pace with the poverty line is the pension. Newstart and other payments are falling substantially behind the poverty line. In 2000, people on Newstart were on the poverty line, but by 2014 they were almost 20% worse off than the poverty line."<sup>xiii</sup>*

Find out more at [www.antipovertyweek.org.au](http://www.antipovertyweek.org.au)



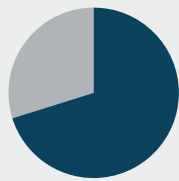
## What about persistent or entrenched poverty?

Many Australians experience economic disadvantage at some stage in their lives - often as a result of unemployment, illness or disability or a relationship breakdown. For most of us, it is temporary and we are back on our feet in a short time especially if we have savings and/or family and friends to help.

However about 3% of Australians (roughly 700,000 people) have been in income poverty continuously for at least the last 4 years. People living in **single parent families, unemployed people, people with disability, Indigenous Australians and children living in jobless households where no one has paid work** are at risk of entrenched poverty.<sup>xiv</sup>

### What are the triggers for poverty?

Recent research found that as many as



**70%**  
of Households

had at least one person who needed to receive income support because of unemployment, illness or relationship breakdown between 2001-2015.<sup>xv</sup>

If these payments are too low and the person or family doesn't have other supports, they can fall into poverty. Of all Australians living below the poverty line, 53% relied on social security as their main source of income.<sup>xvi</sup> The payment for people who are unemployed (Newstart) has not increased in real terms since 1994 and researchers at UNSW found it would need to increase by at least \$96 per week to meet the cost of housing, food, basic healthcare and transport.<sup>xvii</sup>

**“I experienced a lot of family violence which meant I couldn't live at home. It was not a choice. People don't end up in a situation where they're homeless or living on their own, for nothing. It's not a small, menial thing that gets them there.”<sup>xix</sup>**

“And if you're on a low income, one bill can spin you so out of control so that you've lost everything.” Helen, in her 60's, now retired and reliant solely on Newstart.<sup>xviii</sup>

More infrequent life events such as the onset of a severe mental illness or domestic violence can be a trigger for severe poverty and homelessness if supports are not available.

Domestic violence is the single largest contributor to homelessness (40%) according to the inaugural **Australian Homelessness Monitor** published in 2018.



## Are there other measures or indicators of poverty?

- **Material deprivation:** Medical treatment when needed, warm clothes and bedding if it's cold, a substantial meal at least once a day, medicines when prescribed by a doctor, a decent and secure home – these are things that most Australians regard as essential. When people cannot afford these things, researchers describe them as being materially deprived.<sup>xxi</sup>
- **Financial stress indicators:** not being able to raise \$2,000 in an emergency, not being able to heat one's home, and not being able to pay bills on time.<sup>xxii</sup>
- **Social exclusion:** Disadvantage is much more than just poverty or lack of financial security. Limited social engagement, connection, access and opportunity are equally detrimental to health and wellbeing. The **Brotherhood of St Laurence** states that deep social exclusion is when people experience at least 4 different sort of disadvantage, such as being on a low income, having little work experience, not being involved in community clubs or associations and not being socially active. Their latest [Social Exclusion Monitor](#) finds that more than 1 million Australians deal with deep social exclusion.<sup>xxiv</sup>

## Do Australians think people should be living in poverty?

- An **Essential Poll** taken in June 2018 found 92% agreed with the statement, "In Australia, no one should go without basic essentials like food, healthcare, transport and power."
- 77% agreed with the statement, "The Government has a responsibility to ensure every Australian has enough money to put a roof over their head and food on their table."

Produced by Anti-Poverty Week as part of its **Fast Facts** series. Data correct as of 13 July 2019.

For more, see [Poverty in Australia](#) on our website at [www.antipovertyweek.org.au](http://www.antipovertyweek.org.au)

<sup>i</sup>This measure is used by the OECD and many other countries although the European Union uses the 60% of median household income measure.

<sup>ii</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), [Poverty in Australia 2018](#). ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS. The report used poverty estimates from the Survey of Income and Housing conducted by the Australian Bureau of Statistics referring to income data for the financial year 2015-16. ACOSS and UNSW also published an accompanying [methodology report](#).

<sup>iii</sup> [National Press Club Address Peter Harris, Chair of the Productivity Commission](#). Jonathan Coppel, Commissioner, Productivity Commission Canberra, Tuesday 28 August 2018. Based on [Rising Inequality?](#) Productivity Commission, August 2018.

<sup>iv</sup> Anglicare Australia, [State of the Family 2018](#), November 2018.

<sup>v</sup> [Foodbank 2018 Hunger Report](#). Answered yes to the question "In the last 12 months, was there any time when you or anyone in your household ran out of food and did not have enough money to purchase more?"

<sup>vi</sup> [Moneycare 10 Years on – A Decade of Challenge and Resilience](#), The Salvation Army, October 2018.

<sup>vii</sup> Imogen cited in [Poverty in Australia 2018](#), see also [Raise the Rate](#) for many more.

<sup>viii</sup> Quote provided by Anglicare Tasmania as cited in Anglicare Australia [State of the Family](#), November 2018.

<sup>ix</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), [Poverty in Australia 2018](#). ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

<sup>x</sup> [Centre for Future of Work](#) May 2018.

<sup>xi</sup> The National Sustainable Development Council, [Transforming Australia: SDG Progress Report](#), February 2019.

<sup>xii</sup> VCOSS, [Power Struggles, Everyday Battles to Stay Connected](#), 2017 and [Battling On, Persistent Energy Hardship](#), 2018

<sup>xiii</sup> The National Sustainable Development Council, [Transforming Australia: SDG Progress Report](#), February 2019.

<sup>xiv</sup> [Rising Inequality?](#) Productivity Commission, August 2018

<sup>xv</sup> [The welfare state touches the lives of many more Australians than is commonly thought](#) Professor Peter Whiteford analysed recent Household Income and Labour Dynamics in Australia (HILDA) data. He found that "looking at data 2001-2010, "over 9 years, 22 per cent of men and 16 per cent of women were dismissed from their job. Around 40 per cent of the Australian population experience a serious personal injury or illness each year over a 10 year period, and nearly 70 per cent of men and 64 per cent of women experience serious injury or illness to a close relative or family member over a 10 year period."

<sup>xvi</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), [Poverty in Australia 2018](#). ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

<sup>xvii</sup> ACOSS, [Raise the Rate Briefing Note](#), citing 2017 UNSW research.

<sup>xviii</sup> VCOSS, [Power Struggles, Everyday Battles to Stay Connected](#), 2017.

<sup>xix</sup> Quote provided by Anglicare Tasmania as cited in Anglicare Australia [State of the Family](#), November 2018.

<sup>xx</sup> Launch Housing, [Australian Homelessness Monitor, 2018](#).

<sup>xxi</sup> Peter Saunders & Yuvisthi Naidoo, Mapping the Australian Poverty Profile: A Multidimensional Deprivation Approach, *The Australian Economic Review*, vol. 51, no. 3, pp. 336-50

<sup>xxii</sup> Melbourne Institute's HILDA survey and ABS Household Expenditure Surveys.

<sup>xxiii</sup> [Poverty, Social Exclusion and Disadvantage in Australia, UnitingCare Australia in partnership with The University of Canberra's, National Centre for Social and Economic Modelling, October 2018](#). Analyses the 2016 Census and other data using the Child Social Exclusion Index and captures the multi-dimensional nature of disadvantage in Australia and its impact.

<sup>xxiv</sup> Brotherhood of St Laurence and the Melbourne Institute of Applied Economic and Social Research [Social Exclusion Monitor](#).

<sup>xxv</sup> <https://www.essentialvision.com.au/statements-about-newstart>