



Poverty in Australia: A national perspective

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What is poverty?



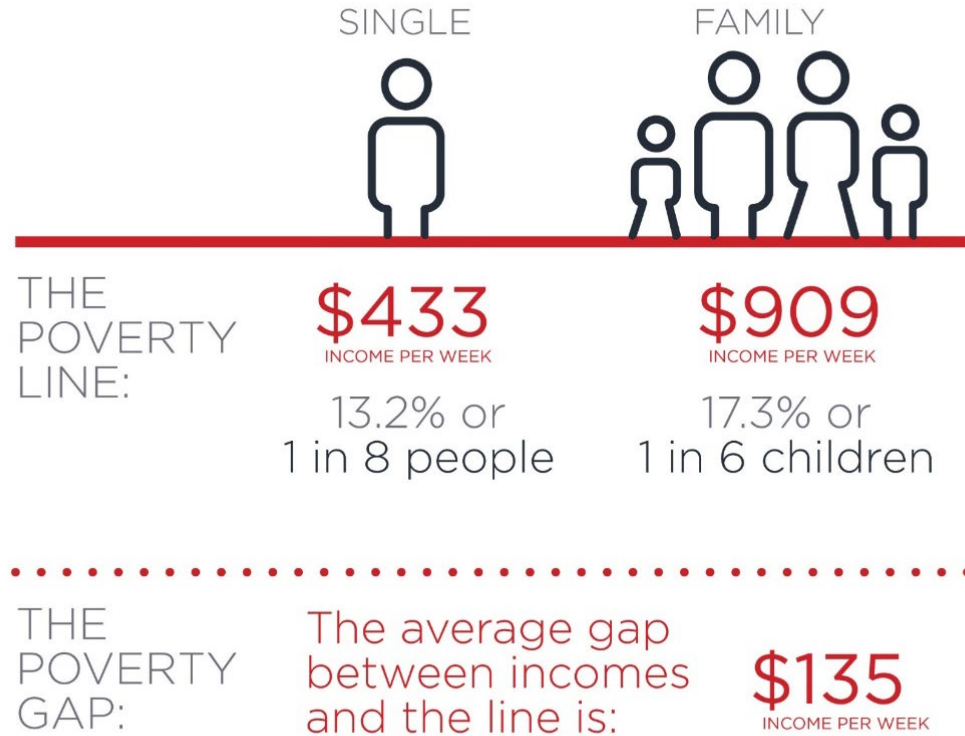
- Australia is a signatory to the Sustainable Development Goals. The first of these goals is No Poverty (ending poverty in all its forms everywhere)
- However, there is no agreed national definition of poverty in Australia, nor is there regular monitoring and reporting by governments to address it.

Relative poverty

The ACOSS/UNSW Poverty and Inequality Partnership uses a **relative approach** to poverty - defining the poverty line as 50% of median disposable income minus housing costs (modified from that used by the OECD).

- Resources available to give us a picture of poverty in Australia:
 - Australian Bureau of Statistics (ABS)
 - HILDA survey
- Other ways of defining poverty
 - Deprivation
 - 60% median income
 - HILDA approach

Current state of poverty in Australia



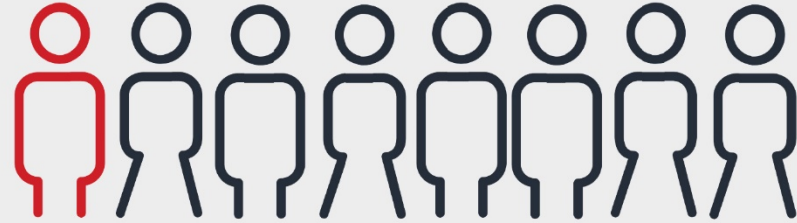
More than 3 million Australians live below the poverty line, including 739,000 children.

Most of those affected are living in deep poverty, on average \$135 per week below the poverty line.



Who lives below the poverty line?

1 in 8 people live below the poverty line.



1 in 6 children live below the poverty line.



People relying on government payments are most affected.



Of the people living below the poverty line

53%

rely on social security as their main source of income.

Of the people living below the poverty line

38%

rely on wages as their main income.



31% of Aboriginal and Torres Strait Islander people live in poverty.



56% of people living below the poverty line are renting.

17% of adults with disabilities live in poverty.
38% of all people living in poverty have a disability.



55%



of people receiving Newstart are living below the poverty line.

52%

of people receiving the Parenting Payment are living below the poverty line.



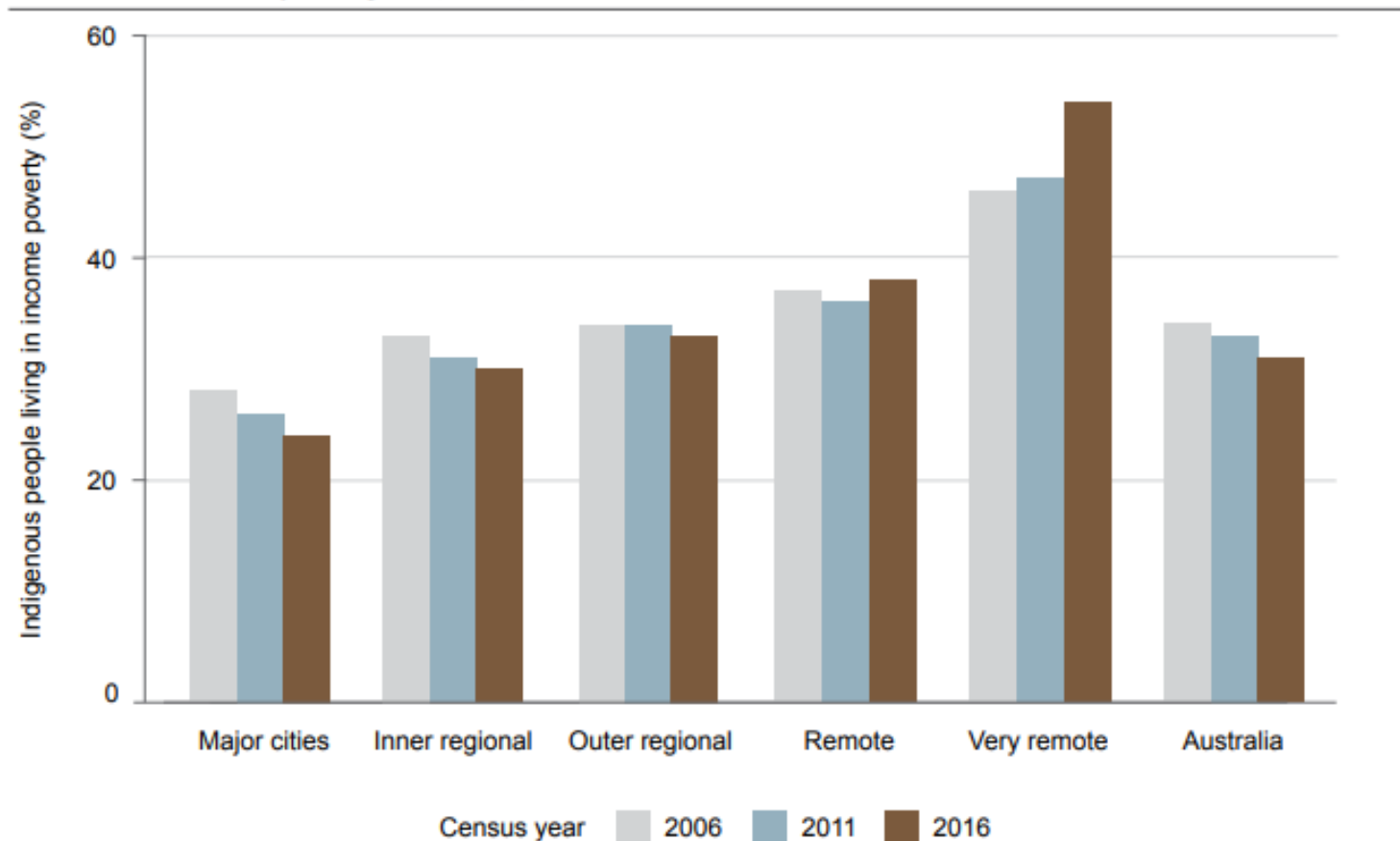
64%

of people receiving Youth Allowance are living below the poverty line.

Poverty among Aboriginal and Torres Strait Islander people

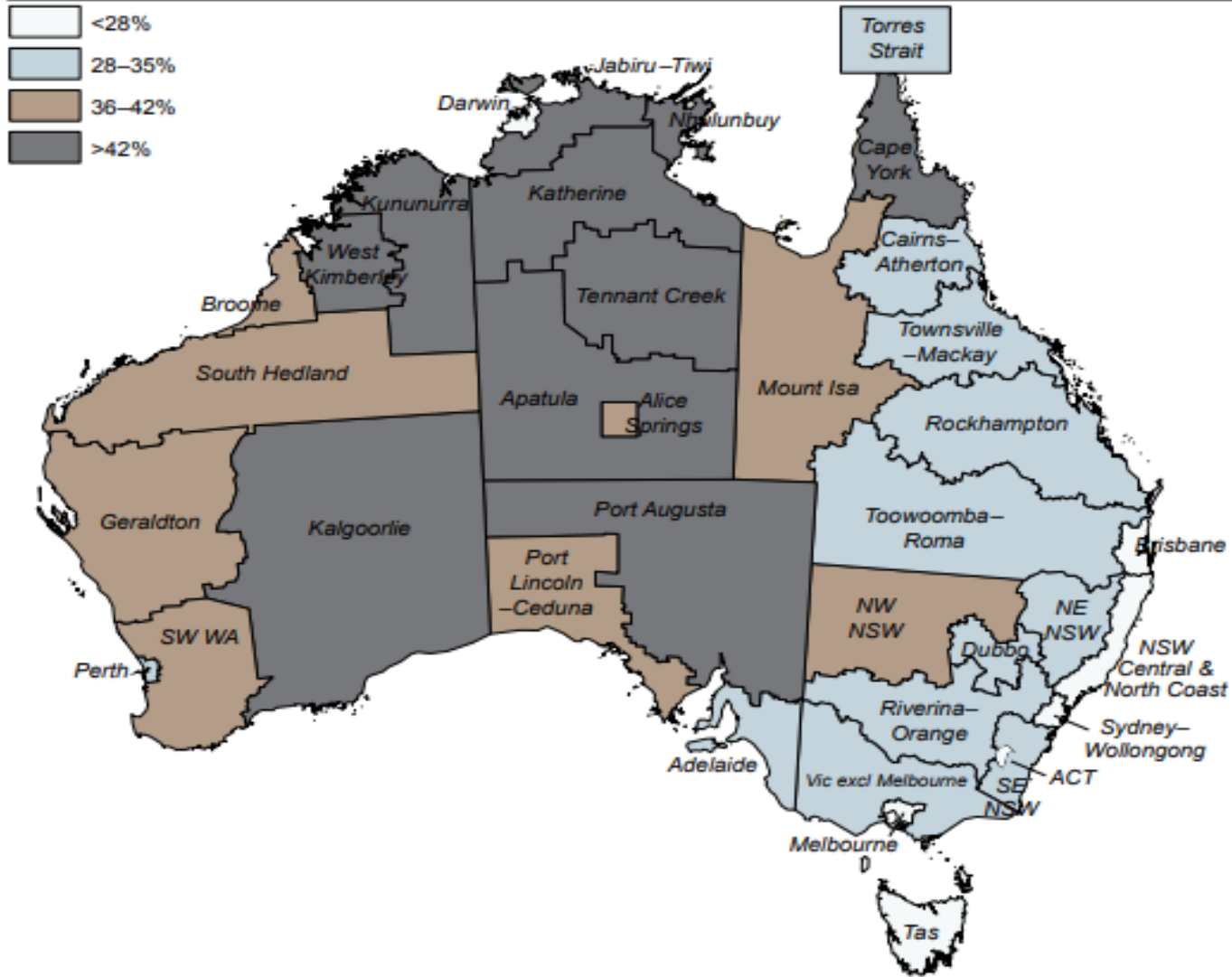
- While the poverty rate has declined slowly for Aboriginal and Torres Strait Islander people, from 33.9% in 2006 to 31.4% in 2016, this was mainly the case in city and inner regional areas (before housing costs) (Markham and Biddle, 2016)

FIG. 11. Indigenous poverty rates, by remoteness, using the '50% of median disposable equivalised household income' poverty line, 2006, 2011 and 2016



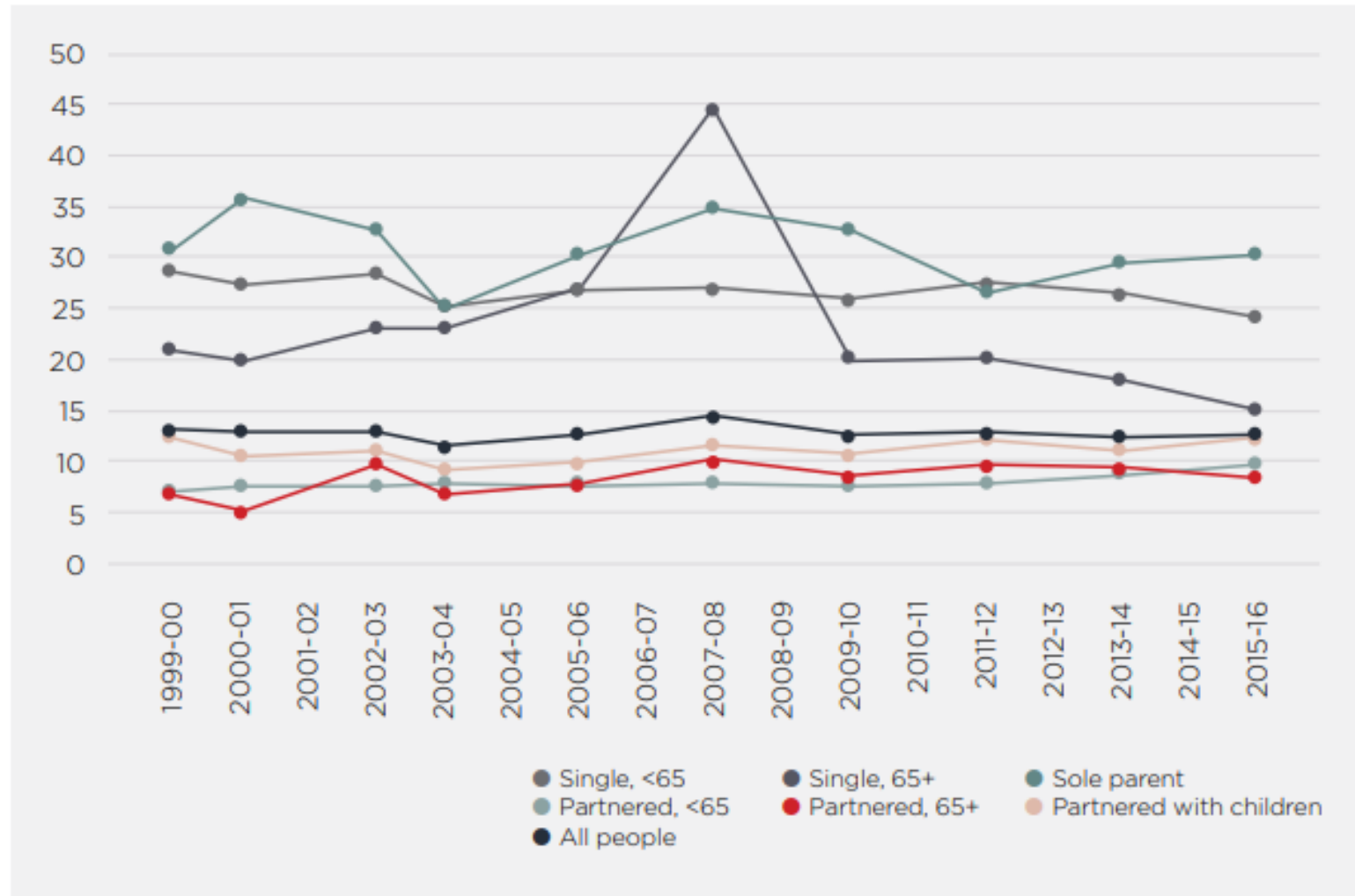
- Even more spatial contrast is evident at the regional level (2016) (Markham and Biddle, 2016)

FIG. 13. Indigenous poverty rates by Indigenous region, measured in terms of disposable equivalised household income, 2016

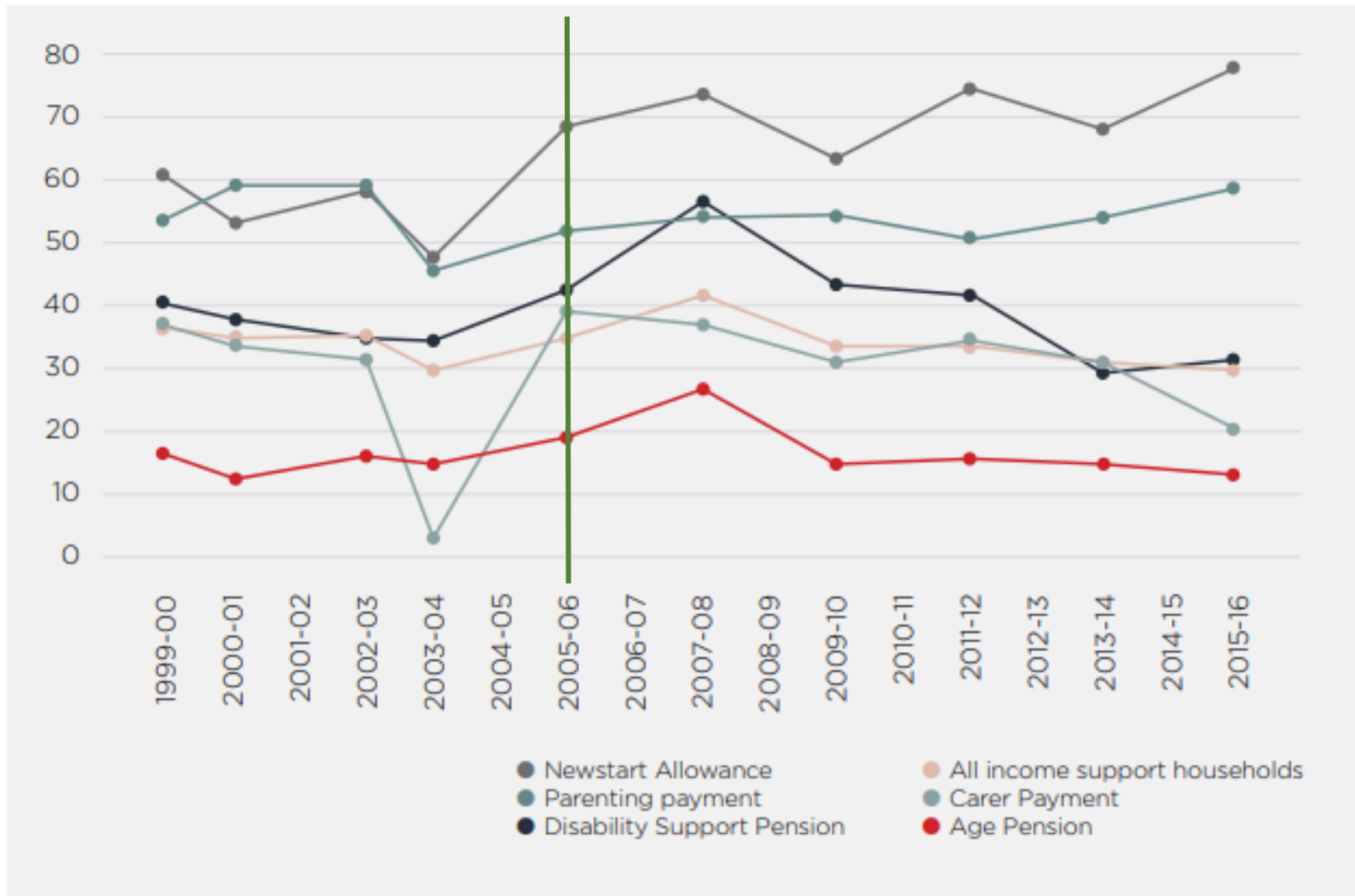


Poverty trends

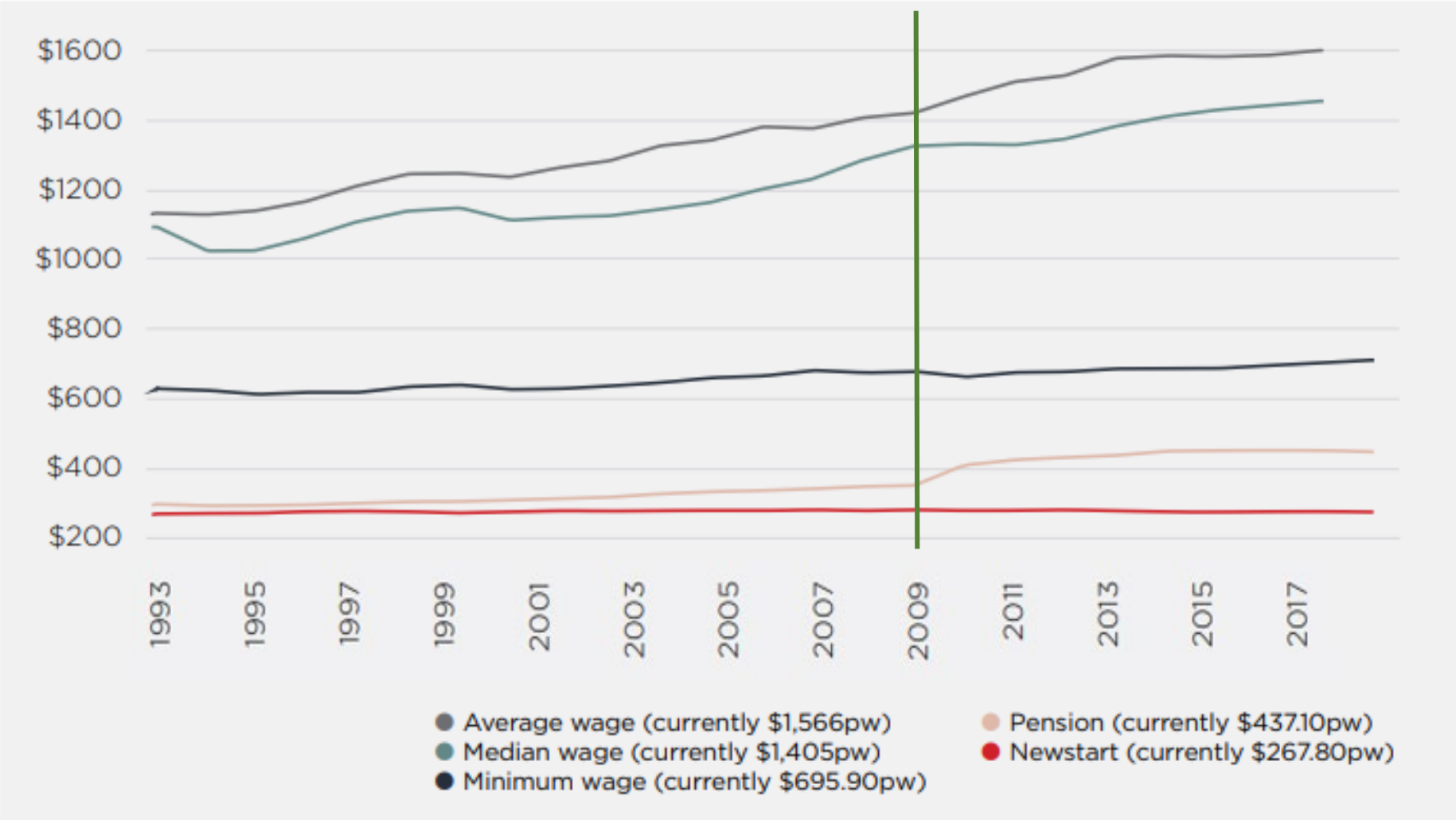
Trends in poverty rates by type and age, 1999 – 2015
(50% median income poverty, after-housing costs - % of all people)



Trends in poverty rates among people in households reliant upon income support, by payment, 1999 – 2015
 (50% median income poverty, after-housing costs)



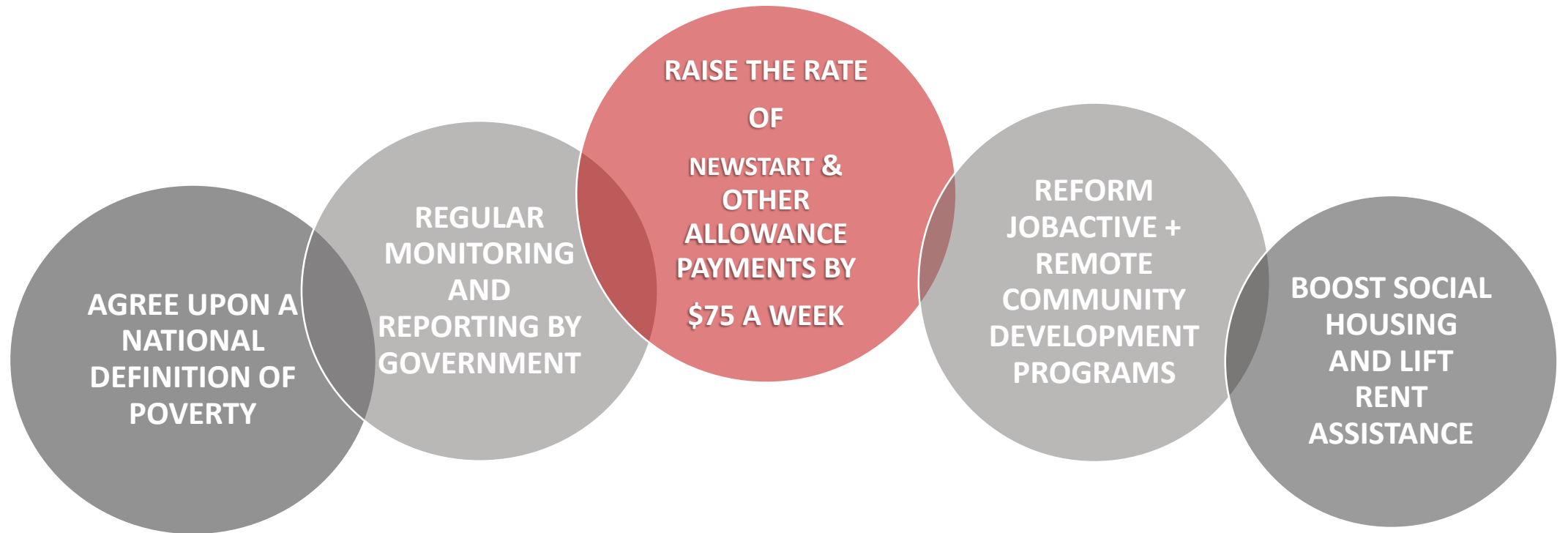
Trends in social security payments compared with wages (\$ per week)



Conclusions

- Relative to national wealth, poverty in Australia has been persistently high for last 20 years, ranging between 11.5 -14%, and higher than OECD average. Child poverty moved within a higher band between 14.3% and 18.6%.
- Poverty rates have increased for those on Newstart and Youth Allowance, single parents and in remote Aboriginal and Torres Strait Islander communities.
- Poverty among people in households relying mainly on Newstart Allowance rose from 61% in 1999 to 78% in 2015. The average poverty gap (for households reliant on Newstart Allowance below the poverty line) rose from \$81 per week to \$136 per week over the same period.
- The transfer of 80,000 sole parents to Newstart Allowance in 2013 was associated with an increase in the rate of poverty among unemployed sole parents from 35% in 2013 to 59% two years later.
- Poverty rates have improved for older people, likely due to the impact of the increase in the Age Pension (dropped from 19-15%) and for Aboriginal and Torres Strait Islander people in urban and regional areas.

Paths out of poverty



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