



Briefing on Poverty, Health and COVID-19, 17/4/20

The Federal Government has stated some people at most risk of serious infection from COVID-19 than others. These include:

- older people - people over the age of 70 (over 65 for people who have pre-existing medical conditions, or over 50 for Aboriginal and Torres Strait Islander people who have pre-existing medical conditions)
- people with weakened immune systems
- people with diagnosed chronic medical conditions (such as high blood pressure, heart and lung conditions, kidney disease and diabetes)
- Aboriginal and Torres Strait Islander people, who have higher rates of chronic illness.ⁱ

We know that for many people being sick can make you poor and being poor often makes you sick. According to **2018 Australia's health** published by the Australian Institute of Health and Welfareⁱⁱ:

- “Socioeconomic factors are important determinants of health. Generally, people in lower socioeconomic groups are at greater risk of poor health, have higher rates of illness, disability and death and live shorter lives than people from higher socioeconomic groups (Mackenbach 2015).”

Rates of chronic conditions were also higher for people in the lowest socioeconomic group, compared with people in the highest socioeconomic group. In particular, it is estimated they were:

- 2.7 times as likely to have chronic obstructive pulmonary disease in 2014–15
- 2.6 times as likely to have diabetes in 2014–15 (ABS 2015)
- 1.7 times as likely to have heart, stroke or other vascular disease in 2014–15 (Figure 5.1.2)
- 1.7 times as likely to be newly diagnosed with lung cancer in 2008–2012

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- 1.6 times as likely to have biomedical signs of chronic kidney disease in 2011–12.

People in the lowest socioeconomic group were also more than 1.2 times as likely to have high blood pressure in 2014–15 as people in the highest socioeconomic group.

Who are the people in the lowest socioeconomic group and at risk from COVID-19?

- An overview of the latest data from the 2017-18 ABS found that there are **3.24 million people (13.6%) living below the poverty line** of 50% of median income or 1 in 8 Australians. The rate of poverty for children is even higher at 1 in 6 or 774,000 children (17.7%) living below the poverty line. Nearly half a million (424,800) young people aged between 15 and 24 were also living in poverty.ⁱⁱⁱ
- 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 and Indigenous Australians** are particularly likely to experience income poverty, deprivation and social exclusion and **children living in jobless households** where no one has paid work are at risk of entrenched poverty.^{iv}
- Those experiencing poverty at the highest rates are those unable to find paid work, **relying on government allowances** – Youth Allowance (64%) and Newstart (55%). Households surviving on government allowances such as Newstart or Youth Allowance are twice as likely to be living in poverty than 25 years ago.^v In 2017, 4 in 5 households with government allowances as their main income (not including payments like the aged or disability pensions) were living in poverty after their housing was paid for, compared with less than 2 in 5 in 1993.^{vi} While payments will increase from 27 April, this increase is due to cease in six months.
- Just under 4 of the 10 Australians living in poverty have a **disability** (739,200 or 38% of the nearly 2 million adults Australians living in poverty).^{vii} More people with disability are now receiving Newstart - at least 40% or nearly 340,000 have either a partial capacity to work and/or are participating in a labour market program and are deemed to have a disability.^{viii} A 2019 Monash University study of the health of people receiving the DSP and the NSA found that they *“were more likely than wage earners to report health problems across a range of other disease categories. Both DSP and NSA groups were at greater risk of multi- morbidity (presence of multiple health conditions) than wage earners.”*^{ix}
- Many **First Nations 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.^x Infant mortality for Indigenous children is twice the rate for non-Indigenous children and In 2015–2017, life expectancy at birth was 71.6 years for Indigenous males (8.6 years less than non-Indigenous males) and 75.6 years for Indigenous females (7.8 years less than non-Indigenous females).^{xi} In 2012–13 the proportions of Indigenous people with the long-term health conditions included:
 - diabetes/high sugar levels - 8.6% (3.2 times higher than non-Indigenous Australians)
 - heart and/or circulatory disease - 13% (1.2 times higher than non-Indigenous Australians)
 - kidney disease -1.8% (3.7 times higher than non-Indigenous Australians)^{xii}
- **First Nation Australians** are 1.8 times more likely to have disability^{xiii} and 2.5 times more likely to receive DSP than non-Indigenous Australians.^{xiv}

“Indigenous people with a disability are 14 times more likely to be imprisoned than the rest of the population... Most of the Aboriginal prison population we would say have some form of disability.”^{xv}

- A major source of child poverty is the **high poverty rate (32%)** among **sole-parent families**. Sole parent families are more than 3 times likely to be living in poverty than those in couple families; while sole parents families make up 7 percent of all people they comprise 20% of all those living in poverty.^{xvi} Australian single mothers on welfare are struggling to provide food for their children due to their low incomes. Many find food provision decreases both physical and mental health, Women often prioritised their children’s health at the expense of their own, through skipping meals, eating their children’s leftovers or eating small snacks instead of meals.^{xvii} ARACY has found that when kids grow up in deprivation, they are more likely to be negatively affected throughout their lives. This includes adult health conditions such as coronary heart disease, stroke, diabetes and cancer.
- The general **health** status of the **people** experiencing **homelessness** tends to be poorer than the general **population**. On Census night in 2016, more than 116,000 people were estimated to be homeless in Australia. Australians known to be at particular risk of homelessness include those who have experienced family and domestic violence, young people, children on care and protection orders, Indigenous Australians, people leaving health or social care arrangements, and Australians aged 55 or older.^{xviii} 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%.^{xix} **Poor-quality housing** influences physical and mental health. Young people, Indigenous Australians, people with long-term health conditions or disability, people living in low-income housing, or people who are unemployed or underemployed are at greatest risk of living in poor-quality housing (Baker et al. 2016).^{xx}
- In 2015-16 there were nearly 1 million (968,000) people living in poverty who **relied on wages** as their main source of income. More than half (55%) were families with children and 15% of all people who worked part-time were living in poverty.^{xxi} Note employers are not able to claim the JobKeeper Payment for casuals employed for less than 12 months, estimated to be around 1 million people.^{xxii}
- As many as 2 million people **temporary visa holders** (except New Zealanders on section 444 visas) have been excluded from the JobKeeper scheme. These include temporary workers, refugees and asylum seekers, international students, and skilled migrants are also ineligible for almost all welfare payments (including JobSeeker Payment) and in some cases, Medicare.^{xxiii}
- Nearly 1 in 3 (31%) of 2015 **prison entrants** reported a current chronic health condition compared with 1 in 5 (22%) aged 18–54.^{xxiv} Older people, including older prisoners, are more likely to suffer from chronic conditions and disability, and need medication, treatment and support with daily living, compared with younger people. Prisoners experience ‘accelerated ageing’ and 50 years is commonly used as the threshold for considering a prisoner in Australia to be ‘old’. As well as being more likely to have core activity limitation, people entering prison aged 50 and over often have other health conditions, reportedly brought to their attention by a doctor or nurse - 2 in 11 (18%) reported being told they had diabetes and 1 in 6 (16%) reported being told they had cardiovascular disease.^{xxv}
- Since 2006, poverty has been falling in major cities while **increasing in remote communities**.^{xxvi} The National Rural Health Alliance say there are 7 million people in rural and remote Australia experience who experience: 1.3 times burden of disease; up to 2 times rate of

preventable hospitalisations and up to 2.5 times rate of preventable deaths. According to the Royal Far West Annual Report 2017-18, children living in rural and remote areas of Australia are up to 5 times as likely as children living in urban areas to have challenges with their developmental health and greater difficulty getting the support they need.^{xxvii} *“There’s an avalanche of chronic disease emerging in rural and remote Australia. If you look at diabetes, mental health, obesity, cardiovascular disease, deaths from cancer, suicide responses to mental health, all of those have increased compared to what we see in the cities.”* Dr Paul Worley, Rural Health Commissioner speaking on the [7.30 Report – regional health](#), 3/7/19.

Note also disparities in outcomes from people living in poverty in the US:

Minority groups tend to have higher rates of poverty and higher percentages of people without health insurance. In 2018, 11.8% of the U.S. population lived in poverty, but the figures were 20.8% for African Americans, 17.6% for Hispanics and 25.4% for Native Americans. They are more likely to suffer from the underlying health issues that can lead to severe cases of the virus. African Americans, in particular, are more likely to suffer from health problems that are some of the main triggers for COVID-19 hospitalization, including asthma, diabetes and obesity. For each of those conditions, African Americans are above the national average by a percentage point or more — and further above the numbers for white, non-Hispanic Americans.^{xxviii}

US City or State	Percent of population who are African American	Percent of deaths from COVID-19 who are African American
Milwaukee	26%	73%
Louisiana	32%	70%
Chicago	32%	67%

Source: Johns Hopkins University, state health departments and American Community Survey^{xxix}

Impacts in the UK:

"The reality is nobody is immune from the health and economic impacts from COVID-19. But existing structural inequalities mean that some groups will bear the brunt of COVID-19 more than others," said Zubaida Haque, deputy director of the race equality think tank Runnymede Trust. A 2017 report by the Joseph Rowntree Charitable Trust on race and poverty found that the UK poverty rate was [twice as high for BME communities](#) than for white groups, citing rising levels of unemployment amongst African, mixed-race and Caribbean groups especially, and low-paid work as driving factors. "BME groups in the UK are amongst the poorest of socioeconomic groups. There are extremely high rates of child poverty and they're much more likely to be employed in low-paid, precarious work. They're also much more likely to be living in multigenerational households, which makes BME elderly people more at risk of severe illness from COVID-19," Haque said.^{xxx}

Contact: Toni Wren, Executive Director, Anti-Poverty Week, ed@antipovertyweek.org.au; 0405 705442.

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- ⁱ <https://www.healthdirect.gov.au/coronavirus-covid-19-groups-at-higher-risk-faqs>
- ⁱⁱ Chapter 5.1, [2018 Australia's health](#), Australian Institute of Health and Welfare 2018
- ⁱⁱⁱ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), [Poverty in Australia 2020: Part 1: Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No 3, Sydney: ACOSS.](#) See also APW [Fast Facts Poverty in Australia](#), 2019.
- ^{iv} [Rising Inequality?](#) Productivity Commission, August 2018
- ^v 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.
- ^{vi} [Poverty rates in Newstart households rising. Centre for Social Research and Methods report finds](#), Canberra Times, 15/9/19.
- ^{vii} 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.
- ^{viii} See APW [Fast Facts Poverty and Newstart](#), 2019 and [Poverty and Disability](#), 2019 for more.
- ^{ix} Collie A, Sheehan L and McAllister A. [The Health of Disability Support Pension and Newstart Allowance Recipients: Analysis of National Health Survey Data.](#) Insurance Work and Health Group, School of Public Health and Preventive Medicine, Monash University (2019).
- ^x 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.
- ^{xi} [2020 Closing the Gap Report](#)
- ^{xii} National Aboriginal Community Controlled Health Organisation (NACCHO), [Indigenous Health at a Glance](#)
- ^{xiii} AIHW, [Australia's Welfare 2019, Disability Support for Indigenous Australians](#), 2019.
- ^{xiv} Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability.* NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.
- ^{xv} Damian Griffis, CEO First Nations Disability Network Australia speaking on Radio National Breakfast, [Concerns over Disability Support Pension brought to the UN](#), 11/9/19.
- ^{xvi} 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.
- ^{xvii} ["I should be able to provide that": How Welfare-to-Work Affects Low-Income Single Mothers' Food Provision](#), 19/2/19.
- ^{xviii} Australian Institute of Health and Welfare, [Homelessness and Homelessness Services](#), December 2019.
- ^{xix} 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.
- ^{xx} Australian Institute of Health and Welfare 2018. [Australia's health 2018](#)
- ^{xxi} 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. Also APW Fast Facts Poverty and Work for more.
- ^{xxii} [Beck Cassells and Alan Duncan in The Conversation 31 March](#) estimate nearly 1 million casuals will miss out on the wage subsidy program with 350,000 from accommodation and food services and retail trade.
- ^{xxiii} See 8 April Media Release [Federation Ethnic Communities Council of Australia.](#)
- ^{xxiv} Australian Institute of Health and Welfare 2018. [Australia's health 2018](#)
- ^{xxv} Australian Institute of Health and Welfare 2018. [Australia's health 2018](#)
- ^{xxvi} The National Sustainable Development Council, [Transforming Australia: SDG Progress Report](#), February 2019.
- ^{xxvii} See APW [Fast Facts Poverty in Rural and Regional Australia](#), 2019.
- ^{xxviii} NBC, [Coronavirus risk for African Americans tied to more than race](#), 12/4/20
- ^{xxix} [Washington Post](#), 7/4/20 and also New York Times, [As Coronavirus Deepens Inequality, Inequality Worsens Its Spread](#), 16/3/20
- ^{xxx} Aina Khan, [Third of critically ill COVID-19 UK patients from BME backgrounds](#), Aljazeera, 8/4/20