



More than

13.6%

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 \$457 a week for a single adult, \$731 for a sole parent with two children or \$960 for a couple with two children in 2017-18.¹

How many people are living in poverty in Australia?

The ACOSS/UNSW Poverty in Australia 2020² report found:

- In Australia, there are more than 3.24 million people or 13.6% of the population living below the poverty line. That includes 774,000 children or more than 1 in 6.
- Many of those affected are living in deep poverty – on average \$282 a week below the poverty line.

ANU researchers have estimated that the temporary payments introduced in response to the COVID-19 pandemic are estimated to have reduced the number of people in poverty by 13% to 2.6 million. However by December 2020, the reductions in income supports announced in July will increase poverty by one third to 3.5 million.³

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."*⁴

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 often have terrible options – such as skipping a meal to pay for a child's textbooks, missing medication or not heating or cooling their home.

*"The groups of Australians who were **already excluded** are likely to be the **hardest hit** by the economic and social impact of the pandemic and the **public health responses.**"⁵*



The Senate Inquiry into the [Adequacy of Newstart](#) (now called JobSeeker) found that:

In a wealthy country like Australia, no one should be forced to forego meals in order to pay for medications or housing. The committee heard throughout the inquiry distressing accounts of deprivation, highlighting the daily struggles of those living below the poverty line... Alarming, these lived experiences of poverty and extreme deprivation are those of people who do receive income support payments. They have not fallen through the cracks of the welfare system. Rather, the current system is failing them. The Australian income support system is clearly not meeting its objective of ensuring a minimum standard of living for all.⁶

In her submission, Aeryn explained how a small increase would enable her to afford many basic essentials and concluded: "But most importantly, I'd no longer be just surviving or even barely existing. I could afford to live."⁷

Evidence included stories of terrible hardship including people and families having to sacrifice medical care, prescriptions drugs and other necessities. *"I am unable to afford the medication I need...I have had to stop seeing my psychologist...which has been very detrimental to my mental health."⁷*

We know that for many people being sick can make your poor and being poor often makes you sick. See [APW Briefing Poverty, Health and COVID-19](#).

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

The ACOSS/UNSW [Poverty in Australia 2020⁸](#) report found:

Those experiencing poverty at the highest rates are those unable to find paid work – 66%.

Many Indigenous communities have substantially higher levels of income poverty than non-Indigenous communities. The poverty rate for Aboriginal and Torres Strait Islander people is 31%, while poverty is twice as high in very remote communities (54%) as in major cities (24%).

A major source of child poverty is the high poverty rate (44%) among sole-parent families, who must generally rely on a single income.

There were over 1 million (1,016,000) 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.⁹

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 10% but if privately renting, this rises to 39%.

Since 2006, poverty has been falling in major cities while increasing in remote communities.¹⁰

Don, a JobSeeker 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.¹¹



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.¹²

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 2001-2015.¹⁴

Access to employment, the level of public income support available to people with low or no incomes, and housing costs are the three main drivers of poverty.¹³

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, 51% relied on social security as their main source of income.¹⁵ Until the temporary Coronavirus Supplement was introduced in April 2020, the payment for people who are unemployed has not increased in real terms since 1994.

“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.”¹⁶

“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 unemployment payments.¹⁷

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 2018.¹⁸



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.¹⁹
- **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.²⁰
- **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.²¹ 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.²²

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."²³

ABC's Australia Talks 2019 survey of 54,000 Australians found 83% of respondents said poverty is "somewhat or very much a problem for Australia generally" and 60% **disagreed** with the statement that "poorer Australians are getting enough help from the government".²⁴

"We are a wealthy country and our people should not have to struggle to feed their children and put a roof over their heads."²⁵

- Male, aged 70 Perth Metro responding to research question, June 2020.

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 2 September 2020.

¹This measure is used by the OECD and many other countries although the European Union uses the 60% of median household income measure.

²Davidson, 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.

³ Philips B et al (2020), *COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios*, ANU Centre for Social Research and Methods. 29/8/20

⁴National 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.

⁵Brotherhood of St Laurence and the Melbourne Institute of Applied Economic and Social Research *Social Exclusion Monitor*.

⁶Report of Senate Inquiry into the Adequacy of Newstart, April 2020.

⁷Quotes from clients to the Senate Inquiry from the *Consumers Health Forum*, 1/10/19.

⁸Davidson, P., Bradbury, B., Hill, T., and Wong, M. (2020), *Poverty in Australia 2020: Part 2 – Who is Affected?* ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS.

⁹Centre for Future of Work May 2018.

¹⁰The National Sustainable Development Council, *Transforming Australia: SDG Progress Report*, February 2019.

¹¹VCOSS, *Power Struggles, Everyday Battles to Stay Connected*, 2017 and *Battling On, Persistent Energy Hardship*, 2018

¹²*Rising Inequality?* Productivity Commission, August 2018

¹³ Davidson, P., Bradbury, B., Hill, T., and Wong, M. (2020), *Poverty in Australia 2020: Part 2 – Who is Affected?* ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS.

¹⁴The 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."

¹⁵Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), *Poverty in Australia 2018*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

¹⁶Quote provided by Anglicare Tasmania as cited in Anglicare Australia *State of the Family*, November 2018.

¹⁷VCOSS, *Power Struggles, Everyday Battles to Stay Connected*, 2017.

¹⁸Launch Housing, *Australian Homelessness Monitor*, 2018.

¹⁹Peter Saunders & Yuvisthi Naidoo, Mapping the Australian Poverty Profile: A Multidimensional Deprivation Approach, *The Australian Economic Review*, vol. 51, no. 3, pp. 336–50

²⁰Melbourne Institute's HILDA survey and ABS Household Expenditure Surveys.

²¹*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.

²²Brotherhood of St Laurence and the Melbourne Institute of Applied Economic and Social Research *Social Exclusion Monitor*

²³<https://www.essentialvision.com.au/statements-about-newstart>

²⁴<https://australiatalks.abc.net.au/>

²⁵Published in Above the Line, *Perceptions of Poverty in WA*, August 2020.