



More than

# 13.4%

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 \$489 a week for a single adult, \$783 for a sole parent with two children and \$1027 for a couple with two children in 2019-20.<sup>1</sup>

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

The ACOSS/UNSW Poverty in Australia 2022 report<sup>2</sup> found:

- In Australia, there are more than 3.32 million people or 13.4% of the population living below the poverty line. That includes 761,000 children or 1 in 6.
- Many of those affected live in deep poverty – on average ‘poverty gap’ (the difference between the incomes of people in poverty in various types of families and the poverty line) was \$304 a week.

## What has happened to poverty rates over the last 20 years?

Poverty declined in the early 2000s, rose in the boom years up to the GFC in 2008 and declined around 2009, mainly due to a pension increase granted to Age Pensioners in 2009, lifting many older people over the poverty line. Poverty stabilised during the decade prior to the pandemic in 2020.

Despite the lockdowns and sharp recession, the increases in income support payments and support to business provided during the pandemic brought nearly 650,000 people out of poverty and protected hundreds of thousands of others from falling into poverty. Unfortunately, these were short lived as increased payments, especially for JobSeeker and Parenting Payments were withdrawn and replaced by a small permanent increase.<sup>3</sup>

*“The reduction and then removal of the Coronavirus Supplement was experienced by some people as exclusion from a new world that had been opened through its introduction.”<sup>4</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 miss out on essentials – such as worrying about becoming homeless, skipping a meal, not heating or cooling their home, and not being able to go to the doctor or afford medications.



*"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>5</sup>

*"Car repairs are out of reach. Rent has skyrocketed. Food, petrol, utilities and general spending have inflated beyond income levels. Outings and social activities are curtailed. Charity is essential". 66-year-old female from Victoria* <sup>6</sup>

### Hunger, risk of homelessness and poorer health are the reality for Australians living in poverty today

According to the [Foodbank Hunger Report 2022](#), on any given day, over half a million households in Australia are struggling to meet their food needs. Households with children are being hit harder than others (32% severely food insecure in the past year vs a national average of 21%) and single parent households are the worst of all (37% severely food insecure).

*"I have been skipping meals 2-3 times a week which has been happening more in the past 2-3 months... I've cut down a lot on meal sizes and basically live on noodles a lot (57 year old female)."* <sup>7</sup>

By 2020 there was an increasing link between living in private rental accommodation and poverty. According to a BankWest Curtin Economics Centre study, two thirds of single women and one half of single men aged over 55 years who are living in rented houses were living below the poverty line. Among single parent renters – 2 in 5 live below the poverty line.<sup>8</sup>

Between April 2020 and March 2023 rents rose by 40% across Australia SQM research, [National Weekly Rents](#) data. The Anglicare Australia [Rental Affordability Snapshot 2023](#) found that there was no region that was affordable in Australia for people on low incomes and government benefits.

*"We've heard from people worried they will become homeless with their children, renters in extreme hardship, and older women who are considering sleeping in their cars or on the streets because they can't find an affordable home. Others told us they feel hopeless, anxious and scared because they're homeless or are at risk. Even people who own their own home are worried about what the future holds for their children."* <sup>9</sup>

We know that poverty is a key determinant of poorer health and in 2023, First Nations people suffer ill-health and disability at greater rates than non-Indigenous people, leading to lower life expectancy - around 9 years less for males and 8 years less for females, according to the [3rd report on the 2020 National Closing the Gap Agreement](#), July 2023.

*"My mental health has never been as bad as when I am on welfare payments and living in poverty."* <sup>10</sup>



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

The ACOSS/UNSW and [Poverty in Australia 2023: Who is affected?](#) report<sup>11</sup> found people who are unemployed, people receiving income support, renters, sole parents, women, children and people with disability are at highest risk of poverty, while those on Youth Allowance experience deepest poverty. It found

More than 7 in 10 of those receiving Parenting Payment live in poverty and 6 in 10 of those receiving JobSeeker payment.

The risk of poverty for children in sole parent families was more than 3 times that of children in partnered families (39% compared with 12%).

Poverty is highly gendered. Households whose *main income-earners were women* experienced almost twice the level of poverty in 2019-20 as those whose *main income-earner was a man* (18% compared with 10%).

People aged 65 years and over who rent their homes experience poverty at 5 times that of those who own or are buying their own home – 50% versus 10%.

According to the Department of Social Services<sup>12</sup>, *“On all measures of poverty and disadvantage, First Nations people emerge as the most socially and economically deprived.”* In 2018-19, the median income for First Nations adults was 60% that of non-Indigenous Australians (\$533 per week compared with \$915 per week).<sup>13</sup> Australian Institute of Health and Welfare, [Australia’s Welfare 2021](#).

## What about persistent or entrenched poverty?

In 2022 the Melbourne Institute found that persistent poverty is more prevalent among women, single-parent families, the elderly, Indigenous Australians, people with a disability, the less-educated, and people living in more disadvantaged regions. The study also found that employment is an important factor in becoming and escaping poverty but changes in family make-up, particularly the formation of a single-parent family, increases the risk of poverty entry, also onset of disability or substantial caring responsibilities are strongly predictive of poverty entry and poverty persistence.<sup>14</sup>

## What are the triggers for 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 – as many as





For most of us financial hardship 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. For people who become unemployed and have other barriers to work such as disability or partial capacity to work and being aged over 55 years, their risk of prolonged unemployment is high. At March 2023, 72% of JobSeeker recipients had been receiving income support payments for more than one year.<sup>16</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.



*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>17</sup>



The largest group of people needing homelessness services in 2021-22 were those who had experienced domestic and family violence (mainly women and children) and this has been consistent for many years.<sup>18</sup>

## 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>19</sup>
- **Financial stress indicators:** experience of financial stress refers to an inability to meet basic financial commitments because of a shortage of money. Indicators include the inability to pay electricity, gas or telephone bills on time, asking for financial help from friends or family, an inability to pay the rent or mortgage on time, went without meals, unable to heat home, or pawned or sold something.<sup>20</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.<sup>21</sup> The [Social Exclusion Monitor](#) found that (before the Covid pandemic), more than 1.2 million Australians dealt with deep social exclusion in 2018.<sup>22</sup>

See also the [Interim Economic Inclusion Advisory Committee 2023-24 report](#), 18/4/23, for a detailed discussion of various poverty measures.



## What are the key solutions to poverty?

Most researchers conclude that increasing income support payments for unemployed people and single parents is a key solution to poverty. For example, the recommendations of the [Interim Economic Inclusion Advisory Committee 2023-24 report](#).

The payment for people who are unemployed (JobSeeker) has been eroded over many years and by May 2023 it was worth only 65% of the age pension, compared with 90% in the mid-1990s.<sup>23</sup> The welcome increases announced in the May 2023 Budget “can only be expected to make a small impact on the living standards of the lowest income households and only a very modest impact on poverty.”<sup>24</sup>

The 2022 Melbourne University study concluded that while employment can be a solution to ending persistent poverty, “boosting income support payments beyond their current austere levels remains a critical pillar of policy for governments genuinely committed to reducing persistent disadvantage.”

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

<sup>1</sup> Davidson, P; Bradbury, B; and Wong, M (2022) [Poverty in Australia 2022: A snapshot](#) Australian Council of Social Service (ACOSS) and UNSW Sydney.

<sup>2</sup> Davidson, P; Bradbury, B; and Wong, M (2022) [Poverty in Australia 2022: A snapshot](#) Australian Council of Social Service (ACOSS) and UNSW Sydney.

<sup>3</sup> Analysis in [Poverty in Australia 2022: A snapshot](#) and [Poverty in Australia 2023: Who is affected?](#)

<sup>4</sup> ACOSS/UNSW [Australian Experiences of Poverty](#), 2022.

<sup>5</sup> Quote provided by Anglicare Tasmania as cited in Anglicare Australia, [2018 State of the Family](#), November 2018.

<sup>6</sup> Salvation Army, [The Red Shield Appeal 2023: At breaking point](#), July 2023.

<sup>7</sup> [Hungry or Homeless - Tough Choices in a Cost-of-Living Crisis](#), Anglicare NSW, May 2023.

<sup>8</sup> BankWest Curtin Economics Centre, [Behind the Line - Poverty and disadvantage in Australia 2022](#).

<sup>9</sup> Everybody's Home, [Report reveals brutal reality of housing crisis](#), July 2023.

<sup>10</sup> Anti-Poverty Week facilitated a special Australia at Home webinar focused on poverty on 25/5/20 which included Freya Pollard, a university student with lived experience of poverty.

<sup>11</sup> Davidson, P; Bradbury, B; and Wong, M (2023), [Poverty in Australia 2023: Who is affected?](#) Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney.

<sup>12</sup> Department of Social Services submission to the [Senate Inquiry into the Nature and Extent of Poverty in Australia](#) February 2023, submission #12.

<sup>13</sup> Australian Institute of Health and Welfare, [Australia's Welfare 2021](#).

<sup>14</sup> Esperanza Vera-Toscano and Roger Wilkins. [The Dynamics of Income Poverty in Australia: Evidence from the HILDA Survey, 2001 to 2019](#). Melbourne Institute: Applied Economic & Social Research, The University of Melbourne.

<sup>15</sup> [The welfare state touches the lives of many more Australians than is commonly thought](#), Professor Peter Whiteford, 2019.

<sup>16</sup> [Department of Social Services Demographics](#), March 2023.

<sup>17</sup> Quote provided by Anglicare Tasmania as cited in Anglicare Australia, [2018 State of the Family](#), November 2018.

<sup>18</sup> AIHW [Specialist Homelessness Services 2021-22 Annual Report](#).

<sup>19</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, September 2018.

<sup>20</sup> Melbourne Institute, [The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 19](#), 2021.

<sup>21</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>22</sup> Brotherhood of St Laurence and the Melbourne Institute of Applied Economic and Social Research [Social Exclusion Monitor](#)

<sup>23</sup> Assoc Prof Ben Phillips, [Boosting JobSeeker is the most effective way to tackle poverty: what the treasurer's committee told him](#), The Conversation 19/4/23

<sup>24</sup> Assoc Prof Ben Phillips, [Budget spends big on support but won't make much difference to poverty](#), The Conversation, 9/5/23