

# Briefing Paper

6 September, 2023



## Key issues relating to poverty and disadvantage for Aboriginal and Torres Strait Islander People

### 1. Aboriginal and Torres Strait Islander People Poverty

ACOSS concluded that at 31.4% in 2016, the Indigenous poverty rate was more than three times the poverty rate for all households in 2015-16 (9.1%) ([Poverty in Australia 2018](#)), using the analysis of Indigenous poverty from the 2018 ANU Centre for Aboriginal Economic Policy Research ANU College of Arts & Social Sciences paper ([F. Markham and N. Biddle, Income, Poverty and Inequality, 2016 Census Paper 2](#))<sup>i</sup>

We are awaiting analysis of the 2021 census, but it is unlikely to show much progress. Income data from 2018-19 shows that Indigenous Australians were still much more likely to have lower incomes than non-Indigenous people – at \$533 per week, the median income was significantly lower at around 60% of non-Indigenous Australians (\$915 per week). Indigenous Australians were also much more likely to be in the poorest 20% of all Australians – 40% compared with 16% of non-Indigenous households. (2018-19 figures based on adults, all data from [Australia's Welfare 2021](#), Australian Institute of Health and Welfare).

The 2018 Markham et al paper ([F. Markham and N. Biddle, Income, Poverty and Inequality, 2016 Census Paper 2](#)) uses data from the 2006, 2011 and 2016 censuses. Their paper finds:

- a) Indigenous poverty rates in Australia had declined slowly over the past decade, falling from 33.9% in 2006 to 32.7% in 2011 and **31.4% (9.1% for non-Indigenous) in 2016**. However, poverty rates were highly geographically uneven.

Region	Indigenous people, 2016 Poverty Rate
Major Cities	24.4%
Inner Regional	29.5%
Outer Regional	33.4%
Remote	38.3%
Very Remote	54.0%
<b>All</b>	<b>31.4%</b>

- b) Median incomes in **remote** areas were flat between 2011 and 2016, while median incomes in **very remote** areas fell by more than \$10 per week in real terms. This reduction in the median income of the Indigenous population in very remote Australia is particularly concerning given

that the median Indigenous income in this area was only \$400 per week in 2011. That is, income is falling from a very low base, well below the poverty line.

- c) Indigenous poverty rates fell to 24.4% in major cities (where 37% of the Indigenous population lives), a prevalence of poverty that, although still concerningly high, is considerably lower than that for Indigenous people in other parts of the country. Indeed, the median Indigenous income in major cities is gradually approaching the median non-Indigenous income<sup>ii</sup>.”

## 2. Geographic distribution of Aboriginal and Torres Strait Islander People

According to the [Profile of Indigenous Australians - Australian Institute of Health and Welfare \(aihw.gov.au\)](http://aihw.gov.au), June 2022:

Aboriginal and Torres Strait Islander Australians *are more likely to live in urban and regional areas* than remote areas, though the proportion of the total population who are Indigenous is generally higher in more remote areas. Based on projections for 2022, among Aboriginal and Torres Strait Islander Australians:

- 38% (344,800) live in *Major cities*.
- 44% (395,900) live in *Inner and outer regional areas*.
- 17% (155,600) live in *Remote and very remote areas* combined.
- The proportion of the total population who were Indigenous increased with remoteness, from 1.09% in *Major cities*, to 32% in *Remote and very remote areas*.

In 2022, an estimated 33% of Aboriginal and Torres Strait Islander Australians (297,400 people) lived in New South Wales and 28% (252,700 people) in Queensland. The Northern Territory has the highest proportion of Aboriginal and Torres Strait Islander residents among its population – an estimated 32% (79,000 people) in 2022. New South Wales had the largest number of Aboriginal and Torres Strait Islander population (339,500 people), followed by Queensland (273,200 people) and Western Australia (120,000 people). These three states comprised almost three-quarters of the total Aboriginal and Torres Strait Islander population of Australia.

## 3. Demographics of Aboriginal and Torres Strait Islander People

1 in 3 Aboriginal and Torres Strait Islander people is aged under 15 years and 60% are aged under 30 years according to [2021 census](#).

	Aboriginal and Torres Strait Islander people	Non-Indigenous people
Under 5 years	10.8%	5.7%
Under 10 years	21.8%	11.8%
Under 15 years	33.1%	17.9%
Under 30 years	59.7%	36.8%
Over 65 years	5.4%	17.2%

See this AIHW [figure](#) for graphic representation which compares Indigenous and non-Indigenous Australians by age.

#### 4. Educational outcomes for Aboriginal and Torres Strait Islander Children and Young People

In 2023, APW's 21st year, we are campaigning for an end to child poverty in Australia. It's not right that more than 1 in 6 Australian children are growing up in poverty. Growing up in poverty is simply bad for children, it diminishes their physical and mental health, reduces their readiness for school and attainment in school, and the effects can last well into adulthood. Aboriginal and Torres Strait Islander children and young people are much more likely to experience poverty and disadvantage than non-Indigenous children and young people, partly due to historic disadvantage but also due to their higher likelihood of living in a remote or very remote area. See below from our briefing [why growing up in poverty diminishes children's lives](#):

- **Being ready for school** - In 2021, according to the [2021 Australian Early Development Census](#), more than 1 in 5 Australian children (22%) were assessed as developmentally vulnerable when they started school, potentially reducing good health, education and social outcomes later in life. For children living in the most disadvantaged areas, more than 1 in 3 started school developmentally vulnerable. More than 4 in 10 (42.3%) Aboriginal and Torres Strait Islander children were developmentally vulnerable on one or more domains. See also the [3<sup>rd</sup> report on the 2020 National Closing the Gap Agreement](#) published in July 2023 which shows the percentage of Aboriginal and Torres Strait Islander children who are developmentally vulnerable is actually increasing.
- **Achieving at school** Average NAPLAN scores for all year levels and all domains for students from the highest socio-educational background were substantially above those from the lowest. Nationally, Aboriginal and Torres Strait Islander students are three times as likely to need additional support (1 in 3 students, compared with 1 in 10 all students). Half as many students in very remote schools were rated as 'strong' or 'exceeding' in any domain or year level (30%) compared to those in major city schools (60%). [2023 NAPLAN results, 23/8/23](#). Each year, almost 90,000 students do not meet minimum standards for reading or numeracy in NAPLAN. Aboriginal and Torres Strait Islander students, students in outer regional and remote Australia, and students of parents with low educational attainment are three times more likely to fall behind than other students. Productivity Commission, [Review of the National School Reform Agreement](#), 20/1/23. [Research](#) by the Australian Education Research Organisation (AERO) released on 21/8/23 states that currently very few students who start behind or fall behind, catch up. Their research indicates that only 1 in 5 students who are below the minimum standard in Year 3 are above it in Year 9.
- **Achieving a bachelor degree** - only 17.3% of people aged over 15 living in low socioeconomic areas and 7.4% of Aboriginal and Torres Strait Islander people have a bachelor degree, compared with 32% for the whole population aged over 15. [Australian Universities Accord Interim Report](#), July 2023.

See also [Why Anti-Poverty Week Supports the Voice](#)

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<sup>i</sup> Noting Markham and Biddle uses the 50% of median income poverty line before housing costs, so the comparison is 9% if the same measure is used for non-Aboriginal and Torres Strait Islander people, noting, when poverty is measured using the 50% of median income poverty line before housing costs and without excluding self-employed households and those with zero and negative incomes, and the ABS Income and Housing survey is the data source.

<sup>ii</sup> Note see the 2018-19 AIHW data cited previously which means poverty in urban areas is unlikely to reduced significantly.