

# Facts about Poverty



## What is poverty?

ACOSS defines Poverty as a relative concept used to describe the people in a society that cannot participate in the activities that most people take for granted. While many Australians juggle payments of bills, people living in poverty have to make difficult choices – such as skipping a meal to pay for a child's textbooks.

## Who lives in poverty?

ACOSS estimates that two million people live in poverty today – one in ten Australians – based on a poverty line of 50% of average disposable income. The following table indicates trends for the last available decade.

### Trends in State/Territory Poverty Rates based on the 50 per cent Median Poverty Line (percentages)

	1993-94	1998-99	2003-04
<b>New South Wales</b>	7.5	8.7	9.9
<b>Victoria</b>	7.7	7.1	10.7
<b>Queensland</b>	6.2	9.7	8.9
<b>South Australia</b>	6.7	8.2	9.3
<b>Western Australia</b>	12.0	9.4	9.9
<b>Tasmania</b>	9.2	16.8	16.3
<b>Northern Territory/ACT</b>	3.7	4.6	7.4
<b>Total</b>	7.6	8.6	9.9

Research data from the Social Policy Research Centre, University of NSW

Particular groups of people in Australian society are at high risk of poverty. ACOSS Research based on this poverty line shows that in 2004, some groups are more likely to live below the poverty line including: 40.2% jobless people, 39% of single adults aged over 65 years, 31.5% of all people whose main income is social security. 22.8% single adults of workforce age, 11.4% of sole parent families.

Recent research about the poorest 20% of families in Australia indicates most of these families are jobless. Findings of NATSEM research conducted in 2004 include:

- 4 out of 5 of families earning the lowest 20% of income had social security payments as their main source of income.
- 72% of the 424,000 families in the bottom 20% are jobless, 48% are single parent families, and families with older children are also overrepresented (27% of bottom 20%).

ACOSS comparisons also indicate that of the 18 named countries reporting on the UN Human Poverty Index 2006, Australia ranked at a low 14 for a standard of living in rich countries.

Australia had the widest gap in life expectancy between indigenous and non-indigenous population compared to New Zealand, USA or Canada.

Australia spends much less than the OECD average on income support as a proportion of GDP but has the highest proportion of people of workforce age living in jobless households.

Only 1.5% of public investment in education in Australia goes to pre-primary education, compared to an OECD average of 7.2%

Household incomes for Aboriginal and Torres Strait Islander households is \$340 (gross weekly equivalised income) compared to \$618 for non-indigenous households.

## Working Poor

ABS figures show that the proportion of part time employees increased from 19.3% of the labour force to 23.4% between 1992 and 2005. Between 1990 and 2000, the proportion of casuals rose from 19% to 27%. ABS measurements in 2004 of financial stress on working people showed in one year

- 59,000 people went without meals
- 95,000 people were forced to pawn or sell something when they needed cash
- 36,000 were unable to heat their homes
- 89,000 sought help from charities and welfare organisations
- 537,000 were unable to pay their energy or phone bill on time
- 810,000 working families experienced cash flow problems in the past year (ACTU 2004).

## What are the causes of poverty?

In New South Wales:

### Homelessness

- On Census night 2001 there were 26,700 homeless people in NSW .
- On average SAAP services in NSW turned away 58 potential clients and 33 accompanying children with valid requests for immediate accommodation each day in 2004-05.
- In 2005-06 SAAP services in NSW assisted 25,950 clients and a further 11,400 accompanying children.

### Health

In 2006, the Chief Health Officer at NSW Health reported that

- The life expectancy of Aboriginal Australians in NSW is approximately seventeen years less than non-Indigenous Australians
- People from low socioeconomic groups have a greater burden of disease, 31% higher than the most advantaged populations, with the major disparities evident in mental disorders, cardiovascular disease, diabetes and injuries.
- The gap in life expectancy between people from disadvantaged areas compared to more advantaged areas is three years for men and two for women.
- There are approximately 200,000 people, including children, on public dental waiting lists in NSW. NSW spends less per capita on public dental services than the rest of Australia.

### Housing

- According to AHURI, 36% of lower income households in Sydney, and 24% in the rest of NSW, are experiencing housing stress. Housing stress means that more than 30% of gross household income is spent on housing.. This equates to 183,000 households in Sydney and 118,000 households in the rest of NSW, or 301,000 households in total.
- Of these, some 115,000 households in Sydney, and 55,000 in the rest of NSW, are in housing crisis, spending more than 50% of their household income on housing costs.

### Education

- NSW has the lowest participation rate and least affordable fee structure for preschool education of any state or territory in Australia.(Productivity Commission 2005)
- The average attendance rate for Aboriginal school students is 74% compared with 93% for non-indigenous students
- School participation rates amongst Aboriginal students decline rapidly from 98% at age 14 to 31% at age 17 years.
- Only 17% of Aboriginal people who left school at 15+ years have obtained a post-school qualification, compared to 43% of non-indigenous people.

NCOSS wishes to acknowledge the many and varied sources for this information including ACOSS "A Fair Go for All Australians 2007", the Australian Bureau of Statistics, the Productivity Commission, the ACTU New Data Fuels Working Poor fears, the Australian Housing and Urban Research Institute, the Social Policy Research Centre, the *Daily Telegraph*.