

# Mapping Economic Disadvantage in New South Wales



## The Great Divide: Overview of Key Themes

APRIL 2023



# About NCOSS

NSW Council of Social Service (NCOSS) is the peak body for non-government organisations in the health and community services sector in NSW. NCOSS works to progress social justice and shape positive change toward a NSW free from inequality and disadvantage. We are an independent voice advocating for the wellbeing of NSW communities. At NCOSS, we believe that a diverse, well-resourced and knowledgeable social service sector is fundamental to reducing economic and social inequality.

## Acknowledgement

The study used to inform this report was undertaken by the National Centre for Social and Economic Modelling (NATSEM), at the University of Canberra. It was commissioned by the New South Wales Council of Social Service (NCOSS).

## Author Note

Author of this report is: NSW Council of Social Service (NCOSS)

## Acronyms

ABS	Australian Bureau of Statistics
NATSEM	National Centre for Social and Economic Modelling
NCOSS	NSW Council of Social Service
NSW	New South Wales
SA2	Statistical Areas Level 2

## CEO's Message

Poverty is a destructive force. It erodes mental and physical health, it hampers children's wellbeing and developmental outcomes, and it can mean the difference between a comfortable old age or a harsh and uncertain one. It can also have intergenerational impacts on families and communities.



However, poverty is also solvable.

We just need our governments to act.

This is why the timing of this Report is so critical, following the 2023 NSW State Election. Rising cost-of-living was a key theme through the campaign; our parliamentarians must not lose sight of the fact that while many have experienced the crunch, it is those living below the poverty line for whom the impacts are most devastating and, potentially, life-long.

NATSEM has updated its modelling of poverty in NSW by small area geography, drawing on the latest Census data. In this Report, we highlight the key themes emerging from the data including how the face of poverty in NSW has changed since the 2016 Census.

This underscores that while the overall rate of poverty for our State hasn't shifted, there is a more complex underlying story.

A story of poverty rates climbing upwards for some groups – renters, older people, part-time workers among them. Of decreases for other groups, but modest at best.

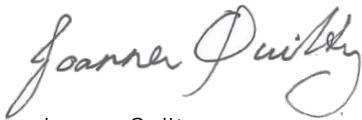
Of the impact of discrimination and structural barriers compounding disadvantage for Aboriginal and Torres Strait Islander Australians, culturally and linguistically diverse communities and people with disability.

Of locations in Western and South Western Sydney going backwards, while well-off suburbs improved their position. And of poverty continuing to be more widespread in rural and regional NSW, despite improvements since 2016.

Of great concern is that the data is from 2021, so we can expect the situation today to be far worse. The additional government supports available through COVID-19 have ended and housing and cost-of-living crises have ramped up since the Census, with people who were already struggling being hardest hit – they don't have the capital required to weather the storm.

Complementing this Key Themes Report and the full NATSEM Research Report is an interactive, online mapping tool available [here](#). It allows you to filter the data for different population groups, by different variables, and to see the results for small geographic areas - equivalent to suburbs and towns - across NSW. I encourage all those interested in poverty to use this tool to better understand the extent and concentration of economic disadvantage in our State.

Significantly, this research marks a sobering milestone - almost 1,000,000 people in NSW are now living in poverty. This is a policy choice, and we must do better. Drawing on our 2023 Policy Platform and other research, we put forward recommended actions that will help to turn this situation around, prevent widening inequality and make a difference for those living below the poverty line across our State. Together with our members, NCOSS will use the insights from this report and the online mapping tool to draw a spotlight on significant economic disadvantage in NSW. It will inform our collective advocacy, and, we hope, support elected officials, government departments and agencies at all levels, as well as not-for-profit organisations, to understand its implications for their decision-making.



Joanna Quilty  
Chief Executive Officer





# About This Research

## Background to this Report and the Mapping Tool

This is the second Mapping Economic Disadvantage in NSW Report from NCOSS, supported by NATSEM. The first report was launched in 2019, drawing on the 2016 Census data.

The purpose of this project is to tell the story of poverty and economic disadvantage in NSW by analysing and mapping poverty rates. By undertaking this project, NCOSS aims to draw attention to the nature and extent of poverty – including the demographic groups most impacted – in different regions of NSW, to inform local community and service planning, and to advocate for policies to address poverty and disadvantage. The target audiences include policy analysts, planners, decision makers and others in the social service sector, academia, and state and local government.

The research breaks down poverty rates and gives us a sophisticated picture of where people living with disadvantage are located and who they are – including their age, sex, employment, family arrangements, and housing tenure. It shows us that the characteristics of people living with disadvantage can vary strikingly from one community to another. Vitaly, it also shows us how the picture of significant economic disadvantage has changed since 2016.

There are three published elements to this research:

- 1 Key Themes Report** (this document) – provides an overview of the key themes, highlighting how poverty in NSW is changing and the groups most impacted. It draws on the detailed data to highlight emerging patterns, and the policy solutions that will make a difference.
- 2 Research Report** – details the results of the data modelling undertaken by NATSEM, providing an in-depth break-down of poverty rates by demographic cohorts and geography and highlighting differences between 2016 and 2021 modelling results.
- 3 Online Mapping Tool** – allows users to filter the data for different population groups, by different variables, and to see the results for small geographic areas across NSW.

Readers should refer to the Research Report to further understand the methodology adopted, including: how poverty rates were calculated; the use of complex spatial microsimulation modelling to produce poverty data at a small-scale geography (using Statistical Area Level 2 (SA2)); and the modified methodology applied to overcome data limitations and enable analysis of rates of disadvantage for Aboriginal and Torres Strait Islander Australians, culturally and linguistically diverse communities and people with disability across NSW.

A note on language: Where poverty rates have changed since 2016, there are two ways in which this is described in this Report and the Research Report:

1. Percentage point increase: e.g. If a 2016 poverty rate was 10% and in 2021 it is 20%, this would be referred to as “10 percentage points”, showing the absolute change in the percentage.
2. Percentage increase: Using the same example, this would be referred to as a “100% increase”, using the 2016 rate as the base. This descriptor is preferred through the Key Themes report as it more clearly shows the scale of the changes in poverty rates over the five year time period.

## About the National Centre for Social and Economic Modelling (NATSEM)

NATSEM, part of the University of Canberra's Faculty of Business, Government and Law, has a national reputation for excellence in micro-data analysis, microsimulation modelling and policy evaluation. The research activities of NATSEM aim to have significant policy impact and lead to social and economic change.







## Key Themes



### 1. NSW now has one million people living in poverty – a sobering milestone

While the overall rate of poverty in NSW – sitting at 13.4% - has barely changed since 2016, our population growth means we now have 995,600 people living below the poverty line.

This has occurred against a backdrop of stagnant wages, growing housing affordability concerns and rising cost of living. It also reflects the impacts of the COVID-19 pandemic which significantly altered employment patterns, housing arrangements and internal migration across NSW. As such this headline figure masks a more complex story, explored in the themes below.

Nevertheless, it is a sobering milestone and demonstrates that without deliberate steps, more people across the State will be exposed to the long term and detrimental impacts of poverty.

**13.4%** Rate of Poverty in NSW

**995,600** People living below the poverty line



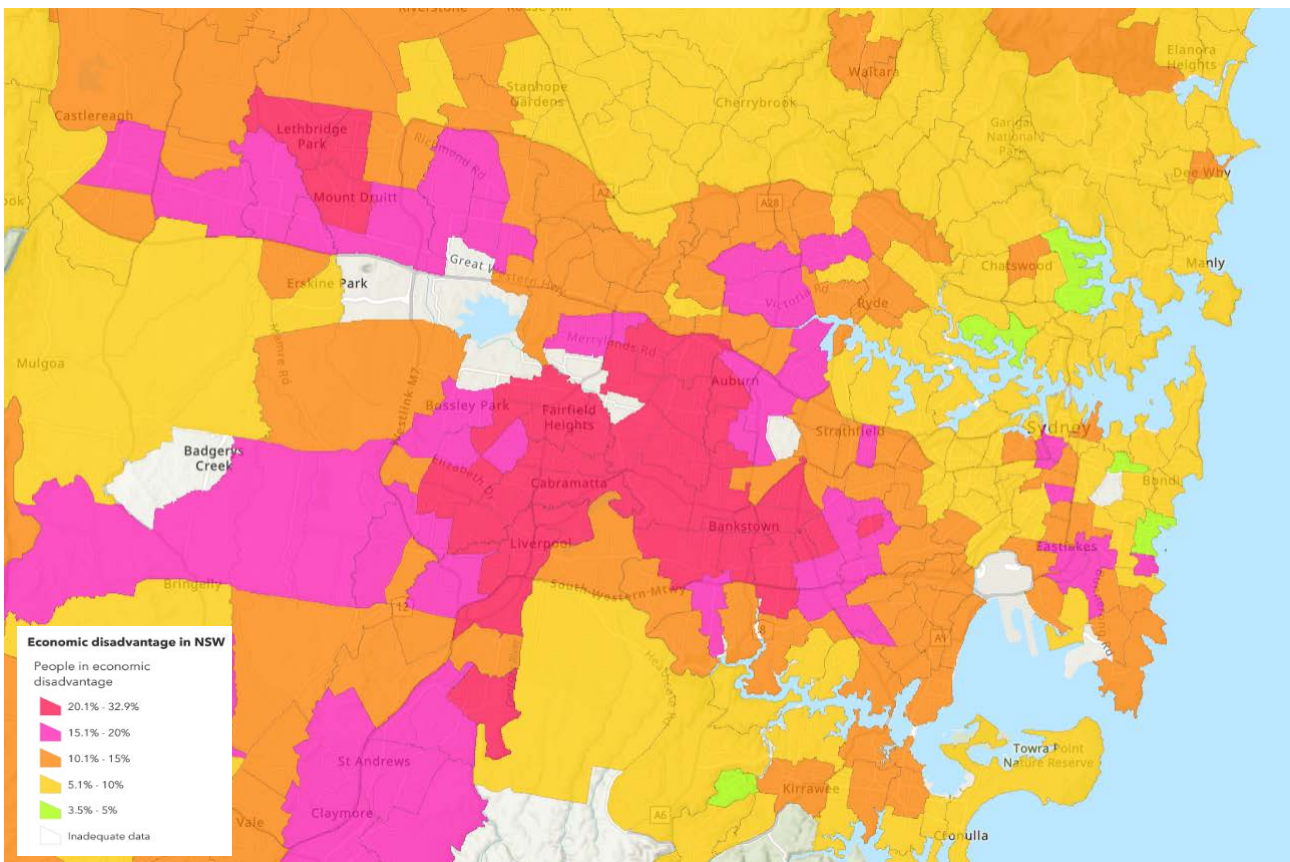


## 2. Sydney has a significant poverty divide and it's getting worse

The stable overall poverty rate for NSW hides a story of widening inequality – particularly for Sydney.

Poverty is highly concentrated in Sydney's Western and South-Western suburbs, with comparatively far lower rates in the city's east. The 'poverty gap' between the highest rate in Sydney (*Ashcroft – Busby – Miller*) and the lowest rate in Sydney (*Greenwich – Riverview*) is significant, at 29.2 percentage points. This gap has intensified given the markedly different fortunes of Sydney's suburbs since 2016 – while poverty rates improved in Eastern Sydney, the Lower North Shore and Northern Beaches, there was a deepening of poverty to the west and south-west.

In the five years since the 2016 census, rates of economic disadvantage have deepened in suburbs such as *Smithfield – Wetherill Park* and *Colyton – Oxley Park* by around 33%. Regents Park has seen poverty rise by a massive 53%. In contrast, areas such *Mosman – North*, *Bondi Junction – Waverly* and *Coogee – Clovelly*, which were already better off, have seen economic disadvantage decrease by between 22% and 44%.



Poverty rates in Greater Sydney



### 3. The poverty rate across rural and regional NSW is slightly higher, but the impacts are markedly different

The picture of poverty across regional NSW differs markedly to what we see in Greater Sydney. Unlike Greater Sydney, where the average poverty rate has risen since 2016, for regional areas it dropped from 14.6% to 13.7%, still slightly higher than the rate for Greater Sydney (13.1%).

While Greater Sydney has pockets where poverty is deeper, it is more widespread across rural and regional NSW. The highest rates are found scattered along the Mid and Far North coasts, in North West NSW and parts of New England and Central West.

The area that has experienced the most significant worsening of poverty since 2016 is the Riverina, with poverty rates increasing by 45% in *Hay* and 40% in both *Gundagai* and *Temora*. Poverty rates also worsened over this time in pockets of New England and the Far North Coast.

Poverty also impacts certain cohorts differently across the State:



**Young People**  
25% higher

The poverty rate for young people (15-24 years) is 25% higher in rural and regional NSW compared to Greater Sydney. It increased from 2016 to be the highest poverty rate of all age groups in rural and regional NSW. A major driver was a substantial increase in poverty rates for people aged 15-24 and not in the labour force (from 25% to 39%), particularly due to increased housing costs. Other factors at play might be higher unemployment rates for men in their 20s in regional and rural NSW, as well as not seeing the same pattern in the data of young people moving into other households as observed in Greater Sydney.



**Children Under 15**  
22% lower

The poverty rate for children under 15 in rural and regional NSW is 22% lower compared to Greater Sydney, and has dropped by 46% since 2016. Contributors to this drop were a decrease in the number of children per family in poverty, particularly in single parent households, as well as a decrease in the number of couples with dependent children living in poverty. This may also have been a result of recent patterns of intrastate migration, particularly those households with higher disposable income moving to rural and regional NSW.



**Men**  
**30% more likely**

There is also a gender difference. While substantially more women than men live in poverty in Greater Sydney, it is the opposite outside the capital city. The overall rate for women is fairly similar across the State, but men living in rural and regional NSW are 30% more likely to live in poverty compared with men living in Greater Sydney, and this has increased since 2016.



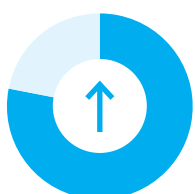
**Unemployed**  
**86% higher**

The rate of poverty for people who are unemployed is 86% higher outside Greater Sydney. The analysis suggests that a key cause for the 33% decrease in poverty amongst unemployed people in Greater Sydney was due to people moving in to others' households. This trend was seen across the broader unemployed population, but was particularly pronounced for younger people, who presumably moved back to live with their parents or moved in with friends due to unsustainable housing costs. However, this shift was not seen to the same extent in the rest of NSW.



**Single Parents**  
**39% higher**

For single parents living outside Greater Sydney, the rate of poverty is 39% higher than in the capital city, despite the rate in rural and regional NSW decreasing by 19%. This may be due to fewer well-paying jobs, fewer family-friendly jobs, and less availability of affordable childcare outside Greater Sydney.



**Mortgagees**  
**Now equal after 80% growth**

While the rate of poverty for renters in rural and regional NSW has decreased, for those paying off a mortgage it is now roughly the same as it is for those in Greater Sydney (at 9.6%). This is the result of a substantial increase in the poverty rate for mortgagees in rural and regional NSW, up by over 80% since 2016 and particularly impacting those not in the labour force or working part-time and still paying off their home.

Finally, many of those areas grappling with the highest rates of poverty, such as along the Mid and Far North Coast, have also faced the immense challenge of climate disasters in recent years. Problems associated with lack of preparedness, an inadequate response, and a slow recovery process continue, with groups who were already living with poverty and disadvantage disproportionately impacted. This highlights the connection between economic disadvantage and the impacts of climate change – many of the people hit hardest have the least capacity to prepare, adapt and recover.





## 4. Older people have experienced an alarming growth in poverty

Between 2016 and 2021, almost 50,000 more people over the age of 65 fell into poverty. This is by far the largest growth of all age brackets, moving from the lowest state-wide rate (11.2%) in 2016 to the second highest (14.1%), just behind children, in 2021.

This growth was particularly concentrated in Greater Sydney, with the rate for this age group increasing from 10.4% to 14.2%. Again, this increase in poverty was not distributed evenly, with some areas seeing far more growth over the five years than others, such as *Blue Haven - San Remo* (171% increase) on the Central Coast, and *Lurnea - Cartwright* (131% increase), *Horsley Park* (220% increase), and *Liverpool - East* (106% increase) in Western Sydney.

Beyond this significant growth, the analysis also shows that the highest concentration of older people living in poverty are found in Sydney's Western and South West suburbs. Concerning examples include *Liverpool - East*, *Guildford - South Granville* and *Fairfield* where 30 per cent or more of the population over 65 was living in poverty. Outside Sydney, high rates of poverty for older people can be found in the Hunter Valley, Illawarra, Newcastle, and Lake Macquarie.

The data points to the sharp increase in poverty rates for older people in the private rental market, especially women, as a contributing factor. In Greater Sydney, the rate for older women in private rentals living below the poverty line increased substantially from 34% to 53%, and in the rest of NSW from 25% to 57%. This is particularly worrying when we look at the growing rate of homelessness being faced by older women<sup>1</sup>.

All this paints a concerning picture for older people in NSW, under-scoring that declining rates of home ownership for this age group, in the face of rental hikes and sky-rocketing cost-of-living, is making survival on the aged pension more challenging.

**50,000**

Between 2016 and 2021, almost 50,000 more people over the age of 65 fell into poverty.

<sup>1</sup> <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/older-clients>, accessed March 2023





## 5. Children still face the highest rates of poverty in NSW of all age groups

In good news, the rate of children under 15 in poverty across NSW decreased by 2.5 percentage points, a reduction of 6,900 since 2016. Despite this, children still have the highest rate of poverty, state-wide, of any age bracket at 15.2% and they make up one quarter of all those living in poverty in NSW.

As with other cohorts, there remains a significant divide within Sydney both in terms of the depth of poverty experienced by children and how this has changed since 2016. Of the 89 SA2s in Greater Sydney with a rate of children in poverty higher than 20%, none are in Sydney's Eastern Suburbs or Lower North Shore and only two are in central Sydney (*Haymarket* and *Waterloo*). While 41% of children in *Guildford - South Granville* live in significant economic disadvantage, it is 4% of children in *Bondi Beach - North Bondi*.

Despite the overall reduction, a number of SA2s saw a significant increase in child poverty rates in the five years since the 2016 Census, and the vast majority of these are again in Western and South-Western Sydney. While *Rose Bay - Vaucluse - Watsons Bay* saw a reduction of 4 percentage points, *Bonnyrigg Heights - Bonnyrigg* and *Cabramatta West - Mount Pritchard* both saw an increase of 8 percentage points. And while the decrease in child poverty was most pronounced outside of Greater Sydney - dropping by almost six percentage points from 18.7% to 12.8% - deep pockets remain across NSW. It is particularly concentrated in the Mid North Coast, parts of New England, the Central Coast and around Batemans Bay.

As mentioned elsewhere in this report, the migration of higher income families to regional NSW in recent years may be inflating household incomes in these areas, masking high rates of ongoing poverty for other households with children.

The fact that, overall, children remain the age group with the highest poverty rate in NSW is concerning. Children who grow up in persistent poverty are three times more likely to not finish high school compared to children who have never been poor,<sup>2</sup> with significant long-term impacts on physical and mental health, employment prospects and lifetime earnings.<sup>3</sup>

**15.2%**

Children still have the highest rate of poverty, state-wide, of any age bracket at 15.2% and they make up one quarter of all those living in poverty in NSW.

<sup>2</sup> Esperanza Vera-Toscano and Roger Wilkins (2020) *Does poverty in childhood beget poverty in adulthood in Australia?* Melbourne Institute: Applied Economic & Social Research, University of Melbourne.

<sup>3</sup> Impact Economics (2022) *Aftershock: Addressing the Economic and Social Costs of the Pandemic and Natural Disasters*; Report 5 - Childhood Wellbeing and Development



## 6. Being unemployed or not in the labour force are two of the highest risk indicators of poverty

Other than living in public housing, the two factors that put people at the highest risk of living in poverty are being unemployed (26.1%), or being of employment age (aged 15 to 64 years) but not in the labour force (32.5%) - such as carers, students, a person with a disability or chronic illness or who has otherwise stopped looking for work. These two groups make up half of all those living in poverty in NSW. For both of these cohorts, the rate of poverty is far worse outside of Greater Sydney.

It is worth noting that, between 2016 and 2021, there was a significant decrease in the poverty rate for unemployed people living in Greater Sydney (over 10%). At face value, this appears to be a positive story, but the lower rate may actually be masking the real picture. Census data suggests that the likely driver behind this decrease is unemployed people moving into someone else's home (e.g. to live with their parents, other relatives, friends, or other informal arrangement) or not moving out in the first place (thus having lower housing costs). We know that for some this will involve living in over-crowded, unsuitable or unsafe arrangements because there are no other options, and that this phenomenon is likely to have increased further since the 2021 Census, as the rental crisis has worsened.

This underscores the inadequacy of income support payments – in particular JobSeeker – to enable unemployed people to meet their housing costs and have sufficient disposable income to cover day-to-day living expenses. Remaining connected to the labour force and finding a job is also incredibly challenging when faced with the reality of living in poverty.

The cohort of those aged 15 to 65 and not in the labour force has experienced one of the highest increases to poverty rates since 2016, in both Greater Sydney and across the rest of NSW. Census data shows that there has been minimal increase in the proportion of people moving out of the labour force, so this is substantially as a result of deepening levels of poverty for this group. Across all demographic groups, it now has the second highest poverty rate in Greater Sydney and the third highest in rural and regional NSW. While high levels of poverty for this group exist right across the State, there are clusters of SA2s with rates over 40% through regions such as Orana, Mid North Coast, Far North Coast and in South West Sydney.

This again reinforces the inadequacy of government support payments, such as Youth Allowance, the Disability Support Pension and others, when it comes to meeting housing costs and having sufficient income left over to afford other essentials.

**21.6%**

Poverty rate for unemployed people

**32.5%**

Poverty rate for people aged 15 to 64 years but not in the labour force



## 7. ...but employment is not a guarantee against poverty

More than one quarter of people living in poverty have a job and are the 'working poor'.

The analysis shows that the rate of poverty is much higher for part-time workers than for full-time workers, and that across NSW they have experienced an average increase in poverty of 48.6% since 2016 – whereas for full-time workers there has been a decrease<sup>4</sup>. There is also evidence to suggest a growing trend, similar to those unemployed, of part-time workers moving to others' households, hiding the true extent of poverty for this cohort. This is more likely to impact younger people, older people and women as they are more likely to be part-time than full-time workers.

Yet again, where people live has a significant impact on the extent to which employment helps avoid poverty. 28% of part-time workers in *Liverpool – East* were living in poverty compared to only 8% of part-time workers in *Double Bay – Darling Point*. While noting that poverty rates for part-time workers increased across all parts of Greater Sydney, including the Eastern Suburbs, the greatest increases were once more felt in Western and South Western Sydney.

**More than 1/4**

More than one quarter of people living in poverty have a job and are the 'working poor'.

<sup>4</sup> The Census categorisation of full-time and part-time employment includes casual employment arrangements, dependent on the number of hours per week





## 8. Public housing is no longer the safety net it used to be

Public housing has long been a core element of our social welfare system, intended to keep people out of poverty, avoid homelessness and provide the security needed to live a decent life.

This research shows that the extent to which it performs this role has greatly diminished, with the highest rate of poverty for any demographic group being for those living in public housing – at almost 60%. This group has also seen the largest percentage point increase since 2016, especially for those public housing tenants living in Greater Sydney.

Some of the local poverty rates for people in public housing are especially shocking. Across the State, there are 9 SA2s where 100% of public housing tenants live below the poverty line, including *Zetland* and *Springwood – Winmalee* in Greater Sydney, *Mullumbimby* on the Far North Coast and *Lake Munmorah – Mannering Park* on the Central Coast. There are multiple areas over 90%, including through the Riverina, South-Western Slopes, South Coast and Mid-North Coast.

This is a concerning sign of the degradation of Australia's social safety net, and is almost certainly related to the inadequacy of government income support payments. Further, with the waitlist for public housing remaining above 50,000, public housing is now only available for those in the most dire of circumstances. While public housing tenants make up a relatively small proportion of the total number of people living in poverty (12%), the depths of poverty that they experience command particular attention.

**Almost 60%**

Those living in public housing have the highest rate of poverty





## 9. Poverty rates for private renters in Greater Sydney are intensifying, while more people are becoming reliant on the rental market

In Greater Sydney, the private rental market has the largest number of people experiencing poverty of all housing tenures - at over 275,000. The rate of poverty faced by this group increased by 10% since 2016 to 19.4%, with significant intensification in suburbs of the South West and Inner South West.

At the same time as poverty rates have increased for this group, so too has the proportion of people living in rental properties. This is a warning for the future - as more people become reliant on the private rental market, more people are at risk of experiencing poverty.

In contrast, the poverty rate for households privately renting in rural and regional NSW decreased substantially from 30.5% to 22.3% (although it should be noted that this remains higher than Greater Sydney). However, caution should be applied in interpreting this too positively - there was a significant increase in the proportion of full-time workers renting privately in rural and regional NSW, which may be due to intrastate migration of wealthier families to the regions, obscuring the true rate of poverty.

↑ 19.4%

The rate of poverty faced by this group increased to 19.4%





## 10. Living by yourself or parenting on your own puts you at significant risk of poverty

Unsurprisingly, having only one source of income and no-one else with whom to cover living costs puts you at far higher risk of poverty. Single parents are the household type at greatest risk (particularly outside Greater Sydney), followed closely by those living alone.

While poverty rates for single parents have decreased since 2016 (most significantly in rural and regional areas), in parts of NSW rates can still be above 50% (such as *Woolgoolga - Arrawarra, Dorrigo and Wentworth - Buronga*), and in Greater Sydney above 40% (*Guildford - South Granville and Greenacre - South*).

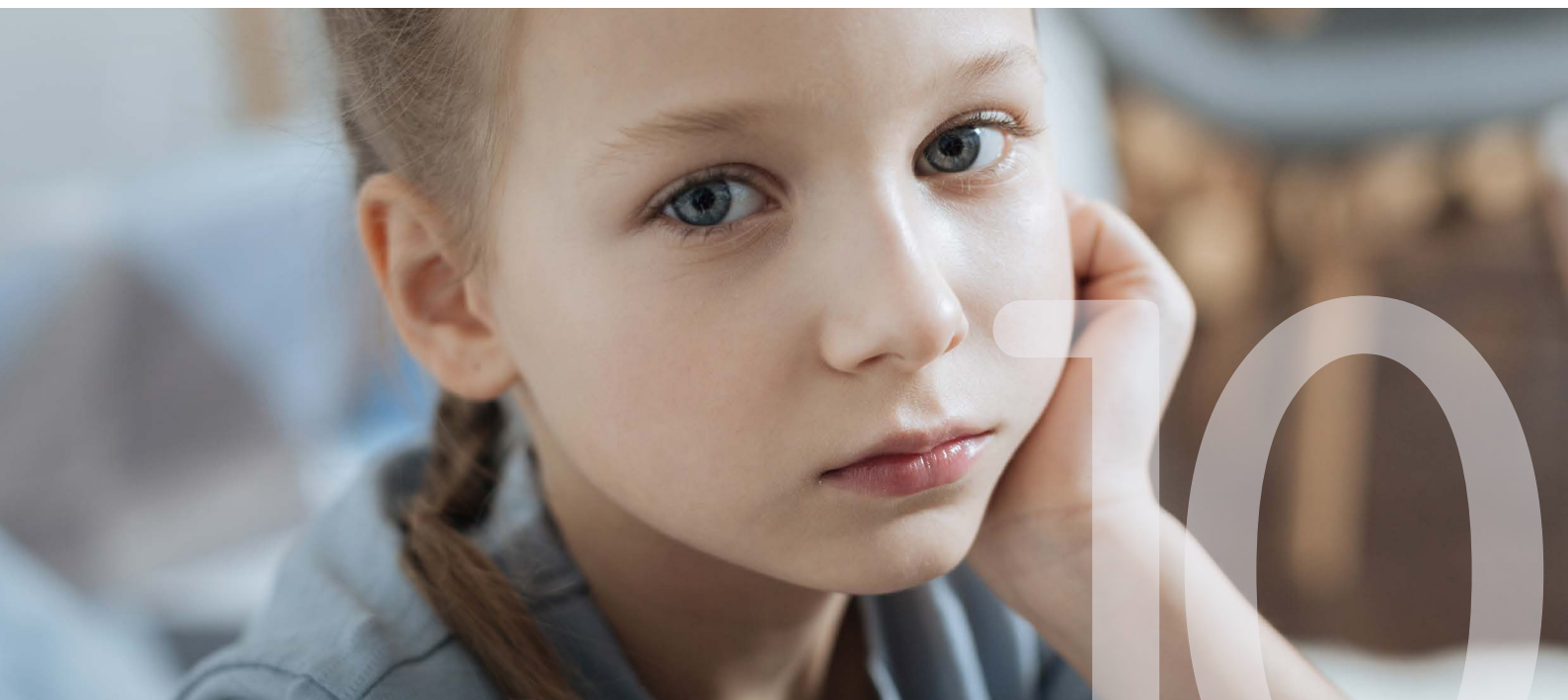
Improved employment prospects and more single parents moving from part-time to fulltime work are no doubt contributing to a reduction in poverty for this group, but the data may not be telling the full story. Calculations of poverty rates do not factor in the cost of childcare, which, after housing, can be one of the biggest weekly outlays.

While more people living in poverty are couples with dependent children or lone parents, policy makers must not lose sight of the depth of poverty experienced by people living alone. Much of our political discourse focuses on families, but this can lead to a blind spot that needs to be rectified.

Overall, rates of poverty for lone-person households are higher in regional NSW but there are areas of Greater Sydney with deep pockets of disadvantage for this group, where poverty rates reach above 50%. An increase in older women living alone and being dependent on the private rental market are factors here.

The increase in lone-person households in poverty is also linked to the rise in part-time workers living in poverty – with more people who live alone now working part-time compared to 2016.

**↑ 50%** Poverty rates for single parents in parts of NSW are still above 50%





## 11. Certain communities are at far greater risk of living in a low-income household

Looking at the demographics of poverty alone can hide the extent to which some people are additionally impacted because of *who they are* and the systemic discrimination that exists in our society. By employing a modified methodology that uses the Census low-income category to overcome data limitations, the research provides insight on how significant economic disadvantage disproportionately impacts Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse communities, and people with a disability.

Aboriginal and Torres Strait Islander people are twice as likely to live in a low-income household compared to non-Indigenous people. The highest rates of economic disadvantage in Sydney are found in the South West, where some SA2s have 50% of Aboriginal and Torres Strait Islander people living in low-income households. There are multiple SA2s across the rest of the State where this is the case for over 40% of Aboriginal and Torres Strait Islander households. In some areas there has been a significant deterioration since 2016, such as *Toongabbie – West* (96% increase), *Bankstown – North* (128% increase), and *South Coogee* (161% increase).

People belonging to culturally and linguistically diverse communities<sup>5</sup> are also substantially overrepresented. In Greater Sydney, these communities are 2.6 times more likely to live in a low-income household; outside of Greater Sydney it is 1.6 times (although the absolute number in rural and regional NSW is significantly lower). In Greater Sydney, there was a significant worsening of economic disadvantage for these households in the City, the Inner West and South West Sydney, but also in pockets of more affluent suburbs in Sydney's East and North.

Finally, the research also looked at the rates of people with a disability<sup>6</sup> living in low-income households. Across NSW, people with a disability are almost three times as likely to live in a low income household compared with people without disability. This community also saw a 20% increase in the rate of low-income households since 2016, with particularly concerning increases in suburbs like *Wentworth Point – Sydney Olympic Park* (146% increase), and in *Bourke – Brewarrina* (214%) in regional NSW. This is reflective of the higher rates of unemployment and not being in the labour force for people with disability, and thus greater levels of reliance on inadequate government support payments.

**2x** Aboriginal and Torres Strait Islander people are twice as likely to live in a low-income household compared to non-Indigenous people.

**2.2x** Culturally and Linguistically Diverse Communities are more than twice as likely to live in a low-income household

**2.7x** People with a disability are almost three times as likely to live in a low-income household

<sup>5</sup> Defined in the research as a person who 'do not speak English well or at all'

<sup>6</sup> Defined in the research as 'a person who needs assistance with core activities and under 70'



## 12. While the impacts of COVID-19 will be long-term and disproportionately felt, temporary additional income support measures immediately and significantly reduced poverty for a period

In recent times, much focus has been given to the impacts of COVID-19 and associated lockdowns on household finances; and the ameliorating effect of the additional income support measures introduced by the Federal Government to offset economic upheaval during this period.

Available data bears this out, highlighting a rapid rise in poverty in March 2020 (of around 17% state-wide) followed by a sharp fall – up to 25% in Greater Sydney – when new temporary measures (such as the Coronavirus Supplement and JobKeeper) kicked in. By 2021, overall poverty rates returned to levels not dissimilar to those experienced in 2016. It underscores the extent to which raising the rate of income support payments would have a profound and immediate effect on poverty levels across the State.

The updated modelling highlights the deepening divide across Sydney, with locations and demographic groups in Western and South Western Sydney more likely to experience worsening rates of poverty since 2016. The 2021 Census – on which the modelling is based – was undertaken during NSW's Delta outbreak when progressive Local Government Areas (LGAs) in Western and South Western Sydney were subject to lockdown conditions that became increasingly restrictive, raising the question as to whether this temporary situation skewed employment data and poverty rates for these areas of Sydney.

It is difficult to say. However, the fact that suburbs showing some of the highest rates of poverty for unemployed people, situated in what were the 12 'LGAs of concern', have not experienced significant increases for this group since 2016, and in some instances have seen poverty rates reduce for unemployed people, suggests that this is not the case.

Beyond the short-term volatility created by COVID-19, its long term impacts and contribution to increased poverty for different groups and locations are still playing out. Evidence suggests that it is groups already experiencing disproportionately high levels of disadvantage who will bear the brunt and face further set-backs, including Aboriginal and Torres Strait Islander people; people with a long-term health condition or disability; young people; the long-term unemployed; and people with low educational attainment.







# Conclusion

This research reveals the extent – and changing face – of poverty in NSW.

At first glance, there appears to have been very little overall change since 2016. But a breakdown of results, by geographic area and demographic group, paints a vastly different and more complex picture.

In some locations, poverty has become more deeply entrenched, with areas that were already highly disadvantaged in 2016 going further backwards. In contrast, relatively well-off areas have improved their position, especially in Sydney. This is contributing to a widening divide and growing social inequity – in particular a hardening of the so-called 'latte line' between the east and the west of our city.

For a number of demographic groups, poverty appears to have worsened as a result of the interplay between reduced home ownership, rising housing costs, and inadequate remaining income to cover living expenses – most notably if part-time work or government income support payments are involved.

Even for those groups whose situation has improved since 2016, poverty rates can still be considerably higher than the State average, and higher still in particular locations. For example, while rates for children and single parents may have lessened overall, no one would argue that those above 40% (for children in Guildford-South Granville) or 50% (for single parents in Dorrigo in Northern NSW) are acceptable.

For Aboriginal and Torres Strait Islanders, people with disability and those from culturally and linguistically diverse backgrounds, there are further compounding factors at play – meaning rates of disadvantage are, on average, between two to three times higher than for the rest of the NSW population, and in most instances worsening since 2016. The clustering of disadvantage in particular locations can push rates for these groups higher still in different parts of the State.

## Priorities for action

It is clear that the nature and extent of poverty, and the demographic groups affected, vary considerably across different NSW communities, and have changed markedly since the 2016 Census.

It is also clear that – with the exception of temporary COVID-related additional income support measures – strategies to reduce poverty in NSW have not managed to shift the dial in the last five years.

To change this trajectory, the starting point must be a ground-up approach that directly engages with communities experiencing economic disadvantage, and the network of non-government organisations supporting them. Combined with an evidence-based approach that draws on localised data, this will increase the likelihood of developing solutions that are better tailored to local conditions, cultural considerations and need, and that deliver a more targeted investment strategy.

In keeping with our 2023 Policy Platform and other research informed by our members, NCOSS recommends the following priorities for urgent action by the NSW Government, in collaboration with communities, local service providers, peak bodies and other experts:

- 1 Advocate to lift the rate of income support payments to above the poverty line, and increase Commonwealth Rent Assistance by 50%, to enable an acceptable standard of living for recipients
- 2 Take action on housing affordability:
  - a. Bolster supply of social housing in NSW to 10% of all housing stock, via a long-term plan with established targets, identified locations and innovative approaches to support rapid builds.
  - b. Commit to a 'Housing First' policy across NSW and permanently embed the Together Home program, which was commenced at the height of the COVID-19 pandemic and was responsible for essentially eradicating people sleeping in the street for a period of time.
  - c. Investigate and implement a suite of measures to make renting more affordable and secure, including increasing rental supply and capping rents, which build on commitments to remove 'no grounds' evictions and establish a Rental Commissioner.
  - d. The NSW Government's proposed new entity Homes NSW should review, as a priority and in conjunction with community housing providers, rent setting policy and practice for social housing across NSW, to ensure it is an affordable housing option that helps keep people out of poverty.
- 3 Better target cost-of-living relief products to deliver measurable benefits to households below the poverty line, including strategies to lift awareness and uptake
- 4 Develop population-based planning and funding mechanisms for the provision of essential social services in NSW, based on:
  - a. Rates of economic disadvantage, population growth and anticipated demand
  - b. The required mix and level of services at a local, regional and state-wide level
  - c. A systematic and evidence-based approach to investment.
- 5 In the meantime, enhance investment for critical social infrastructure supporting disadvantaged population groups at the local level, prioritising those locations at greatest risk of being left behind. This should include investment in:
  - a. neighbourhood and community centres, early intervention and family support services and Aboriginal Community Controlled Organisations;
  - b. school-based initiatives to lift educational outcomes in lower socio-economic areas; and
  - c. other services providing practical assistance, specialist support and advice, and social connection to prevent people from falling through the gaps.

NCOSS believes that these recommendations, while not exhaustive, would make a difference to those experiencing poverty and disadvantage in NSW, and would contribute to the prevention of widening inequality and worsening outcomes across the State.



**NSW Council of Social Service**

Phone: (02) 9211 2599

Email: [info@ncoss.org.au](mailto:info@ncoss.org.au)

Yirranma Place, Level 1, 262 Liverpool St,  
Darlinghurst, NSW 2010

**[www.ncoss.org.au](http://www.ncoss.org.au)**