



Australian
Council of
Social Service

Poverty – The Facts

What is poverty?

Poverty is 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, as used in UK & Europe).

Particular groups of people in Australian society are at high risk of poverty. According to the Australian Bureau of Statistics in 2002, groups at risk of poverty include:

- 58% of indigenous people, 28% of jobless people, 28% of people renting, 22% of single parents, 7% of older people.

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%).

What are the causes of poverty?

Poverty is not just caused by individual experiences but by major inequalities built into the structure of Australian society. Some of the causes of this inequality and poverty are access to work and income, education, housing, health and community services. (See *Causes of Poverty - The Facts*).

How can poverty be reduced?

To reduce poverty and address its causes, ACOSS recommends:

- A National Anti-Poverty Plan to take coordinated action across all levels of government to meet targets which reduce poverty and alleviate the causes of poverty.
- An increase in the rate of the lowest social security payments to pension levels, with added supplements for costs of disability and working for unemployed people.
- Additional employment assistance for the long-term unemployed to help them become ready for work.
- Maintenance of the minimum wage to reduce poverty of working households.
- Increased access to affordable housing and Rent Assistance.
- Improved affordability of essential health and community services such as dental care, child care, disability services and respite care.

Sources: Australian Bureau of Statistics. Department of Employment and Workforce Relations. ACOSS, *The Bare Necessities – Poverty and Deprivation in Australia Today*, June 2003.