

# Report details widespread and rising poverty in Australia

Oscar Grenfell  
18 October 2016

A new report by the Australian Council of Social Service (ACOSS), released on Sunday, has revealed pervasive and growing poverty affecting millions of people. The report makes clear that those hardest hit are the most vulnerable, including single parents, the unemployed and the hundreds of thousands of workers forced into casual and part-time, low-paid employment.

According to the report, almost three million Australians, or 13.3 percent of the population, are living below the poverty line. Among them are 730,000 children under the age of 15, or 17.4 percent of the total.

In her introduction, Cassandra Goldie, the CEO of ACOSS, commented that this mounting social crisis was a direct result of the policies of Labor and Liberal-National governments.

"Successive budgets have cut income support payments to those with the least, including low income families despite persistent and increasing child poverty in Australia," Goldie wrote.

The report is based on figures from the Australian Bureau of Statistics covering the period of 2013-14 and makes comparisons to statistics going back to 2003-04. It defines poverty as 50 percent of median income, which for a single adult is just \$343 a week after housing costs, and \$720.22 for a couple with children after rent or mortgage payments. The report also includes alternative figures, based on another commonly used measure, which is 60 percent of median income, but generally cites the 50 percent figure.

Over the decade from 2003-04 to 2013-14, the report documents a two percent rise in child poverty across the board. It notes that Australia's overall poverty rates are consistently higher than the averages for countries in the Organisation for Economic Cooperation and

Development (OECD) over the past decade.

The report details a major increase in child poverty in single parent households of almost four percent, from 36.8 percent in 2012 to 40.6 percent in 2014. It comments that this coincided with the decision by the federal Labor government of prime minister Julia Gillard to strip around 80,000 single parents of children over eight of their Parenting Payment and place them on the Newstart unemployment benefit. According to the report, the move resulted in a typical loss of \$60 per week among the poorest single parent households.

The ACOSS document includes case studies that point to the social reality behind the statistics. Rhima, an unemployed single parent with two young children comments, "Next year they will put me on Newstart and I don't know what I am going to do, I can't survive on what I get now let alone anything less. I have no savings, my children have never been on a holiday and I have nightmares about what's going to happen to us."

Unemployed households, including those of working age not in the labour force, and stay at home single parents, had the highest poverty rates at a combined 63.2 percent, an increase of two percent since 2012. In other words, being unemployed is the strongest indicator of poverty.

ACOSS makes clear that the dire situation confronting those without a job is a product of poverty-level unemployment benefits, which are among the lowest in the developed world.

The report states that the gap between the 50 percent of median income poverty line and the average payment for those on Newstart is a staggering \$222 per week. Young people in full-time study are eligible for Youth Allowance, which is \$309 below the poverty line. The aged pension is \$118 below the poverty line

and the Disability Support Pension \$126 under it.

Around 800,000 people across the country are on Newstart, which is the equivalent of just \$38 per day. The payment has not been increased in real terms since 1994. Successive governments have sought to restrict access to Newstart. For instance, under prime minister Tony Abbott, the Liberal-National government dramatically expanded a punitive work for the dole program in 2014, under which many unemployed people are forced into the equivalent of full-time menial labour without a wage, to be eligible for the Newstart payment.

While the official unemployment rate for September stood at 5.6 percent, other measures show the figure to be far higher. A Roy Morgan report in September found that real unemployment was 8.5 percent, up 0.2 percent on the previous year, and that the underemployment rate was at 7.7 percent of the workforce, a rise of 0.4 percent.

The ACOSS report quotes Tung, who points to the dire social crisis afflicting many unemployed youth. He left school when he was 16 years old and was thrown out of home at the age of 19. “I apply for hundreds of jobs and just can’t get anything, most don’t even reply, they just ignore me. I don’t have experience or qualifications so no one wants me,” Tung said. “I stay with friends mostly, but I have spent some nights on the street and that’s really bad, I don’t want to live like this, I need someone to give me a chance.”

Significantly, a substantial proportion of those living below the poverty line of 50 percent of median income, 36.6 percent or around one million people, are listed as being employed. The report comments that many of them are likely in part-time, intermittent and other precarious jobs.

The report notes that housing costs are a substantial contributor to growing poverty. Almost 22 percent of private renters live in poverty. An article on the *Conversation* web site on October 17 reported that amid the ongoing boom in housing prices and rental costs, 40 percent of low-income renters were in housing stress in 2014, defined as spending more than one-third of income on rent.

About 48 percent of public housing tenants, who comprise some of the most oppressed layers of the working class, are also in poverty. With public housing stocks being sold-off around the country, many in

poverty are forced to rent privately as they sit on lengthy waiting lists.

Prominent figures in the federal Liberal-National Turnbull government responded to the release of the report by denouncing the “welfare culture,” and stepping up their calls for the unemployed to be forced off meagre welfare benefits and into low quality and poorly paid jobs, or utter destitution.

Assistant Minister for Social Services Zed Seselj stated that, “Our opponents on the left have pushed, I think, a welfare mentality in this country ... We simply can’t go on assuming for huge numbers of Australians welfare will just become the norm.”

The government’s response to the report underscores the futility of the appeals made by ACOSS and other charity organisations for the major parties to “see sense” and introduce poverty alleviating measures. In reality, the decades-long offensive against the social rights of the working class carried out by successive Labor and Coalition governments has been rooted in the class interests they represent—those of a tiny financial aristocracy.

The 2016 Forbes Rich list, released in June reported that the wealth of the richest 200 individuals in the country had soared to a record \$197 billion. The figure was three times higher than in 1999 and was an eight-fold increase since 1983. Many on the list had accumulated their fortunes through the real estate market, and other speculative activities.

All of the capitalist parties are committed to a program that will deepen this social chasm. In September, the federal Labor opposition outlined an agreement with the Liberal-National Coalition government to impose cuts of \$6.3 billion to social spending including cuts to family tax benefits, the abolition of job seeker bonuses, cuts to HECS-HELP fee subsidies for tertiary students, a two-year waiting period for welfare payments to newly arrived migrants and other regressive measures.



To contact the WSWS and the  
Socialist Equality Party visit:  
**[wsws.org/contact](http://wsws.org/contact)**