Poverty among Australian retirees has doubled in the past decade

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A growing number of Australian retirees are facing financial hardship after decades in the workforce. According to the Australia Institute, 22.6 percent of retirees now live in poverty—a figure that has nearly doubled over the past decade.

This is a product of decades of cuts to social programs, including the slashing of funding to aged care facilities, the evisceration of public housing, attacks on pensions and declining real wages. A significant factor is also the skyrocketing cost of housing.

A recent report from the Grattan Institute found that poverty among retirees is most severe for the 12 percent—around 200,000 households—who rent. Of those, 67 percent are living below the poverty line.

While renters are especially vulnerable, financial security is by no means guaranteed for the 78 percent of Australians over 65 who own their homes. Some 25 percent of retired homeowners with a mortgage, as well as 11 percent of those who own their homes outright, also live in poverty, according to the report.

More than 90 percent of older Australians receive the full or partial pension, and for many it is not just a supplement to their superannuation or savings, but their only source of regular income. Yet, it falls woefully short of covering basic living costs. Including subsidies for utility bills, a single pensioner receives a maximum of just $1,144.40 per fortnight, while couples receive $1,725.20 combined.

In addition, aged pensioners can get rent assistance, capped at $211.20 per fortnight for singles and $199 per fortnight for couples. Therefore a retired couple, each receiving the full pension and the maximum rent assistance payment, receives a total of $1,924.20 per fortnight.

If their rent is $960 or more per fortnight ($480 a week), or their mortgage repayments more than $760 per fortnight ($380 a week), they fall below the poverty line. The Melbourne Institute calculates that non-working couples who have less than $966.10 per fortnight ($483.05 a week) for all expenses other than housing are below the poverty line.

In an interview with the Australian Broadcasting Corporation (ABC), 74-year-old retiree Jackie Collins described how her financial security vanished after decades working in the social service sector. Retiring with just $45,000 in superannuation, she was first forced into a caravan park before securing a social housing unit. While the rent is affordable, the home is dilapidated and plagued with mould. “I thought, ‘I had so much promise in my life, and this is where I ended up,’” she said.

Lyn, who lives in Melbourne, told the ABC she was always brought up to not be a burden: “I’m now bordering on being evicted. That’s what upsets me.” After a divorce, she was left with no superannuation. At first, she was able to pay rent in the unit she has been living in for 12 years, by working in the highly exploitative courier sub-contracting industry, using her own vehicle to deliver parcels and pathology samples.

However, injuries she sustained in a workplace accident years earlier eventually caught up with her. By 2023 she was barely able to get in and out of her car and needed a double knee replacement, leaving her unable to work. After her landlord increased the rent by $50 per week last year, she has fallen behind and is now two months in arrears.

Renting in retirement is becoming unaffordable, if not impossible. Since 2019, rents have soared by 46.8 percent—the equivalent, on average, of an extra $205 per week, or $10,660 per year. According to data from CoreLogic, the median national rent in 2019 was $438 per week. By the end of 2024, it had surged to $643 per week.

The Grattan Institute found that the average pensioner can afford to spend just $300 per week on rent—far below market rates. This means that just 4 percent of onebedroom homes in Sydney, 13 percent in Brisbane and 14 percent in Melbourne are affordable for a single retiree.

According to the latest available data from the Australian Bureau of Statistics (ABS), in 2021, at least 9,000 Australians over 65 were homeless. However, data reported in the annual *Homelessness Monitor* show a more than 30 percent increase in the number of older Australians accessing specialist homelessness services between 2017–18 and 2023–24.

Beyond the pension, stark wealth inequality exists among retirees. A report from the Australian Council of Social Service (ACOSS) last year identified Australia's superannuation system—in which employers contribute a percentage of workers' earnings into a retirement fund—as a key driver of this inequality.

Professor Carla Treloar, author of the report, highlighted the extent of the disparity: "At the top end of our households [by wealth], they have on average about half-a-million dollars in superannuation wealth. The bottom 20 percent households, by wealth, have on average about $66,000 in superannuation assets."

For those in the bottom bracket, the aged pension is often their only income. Many are reluctant to spend what little superannuation they have saved, fearing they may need it for unexpected medical bills, home repairs, or vehicle costs—expenses that could push them further into financial hardship.

The number of retirees with a mortgage is also rising, as those 55- to 64-year-olds owning their home outright has nearly halved over the past 20 years. This trend is primarily driven by skyrocketing housing costs, with the median house price in Sydney—Australia's most populous city—now reaching $1.48 million, while units average $846,000. Compounding the crisis is the ongoing cost-of-living squeeze and a continued decline in real wages, which have been falling since 2016.

The crisis facing retired renters is a phenomenon that has been building over the past 30 years. Since the introduction by the Labor government of Prime Minister Paul Keating in 1992 of compulsory superannuation, there has been a decline in the proportion of Australians receiving the full aged care pension. In effect, as superannuation comes from workers' wages, they are forced to pay for their own retirement.

There has been a bipartisan effort to reduce the pension payment. This includes the means testing of retirees to determine their eligibility and in 2009 the raising of the pension age by the Rudd Labor government from 65 to 67, which came into effect in 2023.

This is coupled with the broader housing crisis in Australia, which has seen massive tax breaks to property developers and speculators, ramping up the cost of houses and rent to unaffordable levels.

The current Albanese Labor government, since narrowly scraping into office in the 2022 federal election, has further deepened this crisis, instigating a program of austerity and cuts to social spending. As a result, poverty has deepened across Australia, with 3.3 million people now living below the poverty line and 2 million experiencing food insecurity.

Labor's policies have further enriched the property development sector—the very industry driving the crisis. Part of its 2022 election policy platform was the $10 billion Housing Australia Future Fund (HAFF), which supposedly aims to build 30,000 so-called "affordable" homes by 2029.

If this target were met, it would barely make a dent in the social housing shortfall, which already exceeds 600,000 dwellings and continues to grow rapidly. Since the HAFF was legislated in September 2023, fewer than 400 new homes have been built under the scheme and only around 13,000 more are even in the planning stages.

The deepening housing crisis and the mass poverty it fuels are an indictment of capitalism. While millions struggle to secure basic necessities, corporate profits and billionaire wealth continue to soar, and vast sums are funnelled into the military and preparations for war. This crisis underscores the urgent need for a socialist reorganisation of society—one that prioritises human need over private profit and guarantees stable, affordable, and dignified housing for all.