

Survey reveals decline in Australian living standards

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A recently published national survey reveals a long-term decline in living and working conditions across broad sections of the Australian population. This trend was already underway before 2020, but has sharply accelerated since the start of the ongoing COVID-19 pandemic.

The *Household Income and Labour Dynamics in Australia (HILDA)* report, produced annually by the University of Melbourne since 2001, released its 2025 edition in September, based on data collected in 2023. HILDA tracks a cohort of some 17,000 respondents through their lives with annual surveys, collecting information on income, financial stress, childcare, retirement and health.

The 2025 report marks the 23rd wave of data collection. Its authors introduce the 212-page document noting, "An important theme of this year's report is how Australians are faring in the aftermath of the COVID-19 crisis and the sharp rise in the cost of living that has followed it."

Between 2019 and 2023, median household disposable household income grew by just 1.5 percent when adjusted for inflation. But the official cost-of-living figures are a vast understatement. In the 2022–23 financial year alone, median advertised rents increased by 11.5 percent. Over the past decade, house rents have risen by an average of 59.8 percent across the country.

The survey found that 54.6 percent of workers experienced a decline in "equivalised income"—that is, adjusted to account for estimated household need—from 2022 to 2023, compared with 41.9 percent from 2018 to 2019.

Wealth inequality in 2023, measured by the Gini coefficient, fell slightly from its 2022 level but remained higher than at any other point since 2011, reflecting what the report describes as "growth in high incomes relative to middle incomes and declines in low incomes."

Since 2021, all indicators of financial stress have increased. These indicators include having to ask for financial help from family, friends or welfare organisations; being unable to heat one's home; skipping meals; pawning property, and falling behind on rent, mortgage, or utility payments.

Nearly 15 percent of respondents reported experiencing two or more indicators of financial stress in 2023—the highest level in over a decade. Single-parent families were hit hardest, with more than 30 percent reporting financial stress.

The Australian fertility rate—1.5 children per woman in 2023—continues to steadily decline, a decades-long trend. Notably, there has been a marked increase in the number of respondents citing financial pressures as the main driver of their decision to have fewer children or none at all. Compared to 2008, concern about the cost of raising children increased by 7.9 percent among women and 10.1 percent among men in 2023.

HILDA data show that since 2005, the desire to have no children increased more than any other childbearing preference, rising from less than 8 percent to around 14 percent among women (a 43 percent increase) and from 11 percent to nearly 15 percent among men (a 27 percent increase).

Over the same period, the desire for a one-child family rose from below 9 percent among both genders to around 12 percent for women and 11 percent for men, while the desire for three or more children declined overall.

Nearly every financial consideration related to childbearing has risen in importance since 2005, with job security and childcare costs at the forefront.

Rising anxiety about childcare expenses reflects their escalation as a key household cost, driven by longer working hours and the growing prevalence of dual-income families.

Between 2002 and 2023, the proportion of families using paid childcare increased from 42 percent to 56 percent, and the number of paid hours rose by 7.7 hours per week. Over the same period, median childcare expenditure jumped from \$72 to \$171 per week—a 137.5 percent rise.

The burden was greatest for working-class families: Between 2002 and 2022, childcare spending rose by 51.3 percent for the lowest-income earners, compared with 41.9 percent for middle earners and 22.2 percent for the top third. Including unpaid care, the total use of childcare grew by 11

percent in the decade to 2023, with 29 percent of families relying on grandparental care, the highest level since the survey began tracking it in 2004.

Older Australians are playing an increasing role in the informal care network for children, despite several factors contributing to the deterioration of their own living conditions and capacity to provide this support.

For one thing, the long-term trend of Australians having children later in life means that grandparents are, on average, more elderly. HILDA reports that “at a given age, fewer people are already grandparents in the more recent period than in the earlier period.” In 2007 and 2011, around 2 percent of 40-year-olds were grandparents, compared to just 0.5 percent in 2019 and 2023. Among 50-year-olds, the figure fell from 19 percent to 15 percent, and among 60-year-olds, from 60 percent to 43 percent.

At the same time, older workers are delaying retirement because they cannot afford to leave the workforce. For those aged 55–59, the retirement rate has fallen from 40 percent of women and 23 percent of men in 2003 to 14.5 percent and 12.3 percent, respectively, in 2023. The steepest declines occurred among those aged 60–64, dropping from 69.5 percent of women and 48.5 percent of men to 40.8 percent and 27.4 percent.

Between 2003 and 2023, the mean retirement age rose from 58.8 to 63.6 years for women and from 59.9 to 64.8 for men. The report attributes this to “financial necessity, improved health, changing social expectations, and policy reforms such as the increase in the Age Pension eligibility age.”

But the HILDA survey’s own findings challenge the claim that improved health is a major factor: Across the entire research period, average bodily pain increased, particularly among older age groups.

Between 2001 and 2023, average pain scores for males rose by 5.1 percent and for females by 11.6 percent. Reported pain increased with age, accelerating in those older than 40. The lowest levels were among respondents aged 15 to 24, whose pain scores increased from 16.7 to 20.4 points out of 100, between 2001 and 2023. Those aged 65 and over recorded the highest pain scores, rising from 38 points in 2001 to 39.8 in 2023.

Alongside physical pain, psychological distress also worsened—particularly among those aged 15–44. Between 2013 and 2023, distress increased by 55.1 percent for males and 46.3 percent for females.

Since 2011, the proportion of 15–24-year-olds experiencing distress has more than doubled, from 18.4 percent to 37.6 percent in 2023. The report further noted “that a greater proportion of individuals are at high risk of developing serious mental illness.”

Taken together, the data paint a bleak picture of family and social life. High living costs are discouraging childbearing; parents who do have children must work longer hours and spend less time with them, while childcare costs climb beyond reach. Many turn to grandparents for help—yet grandparents are increasingly older, less healthy, and often still working out of financial necessity.

Successive governments—Labor and Liberal-National alike—have overseen this decades-long decline, deepening it through relentless austerity. The current Labor government has overseen the largest decline in working-class living standards since the end of the Second World War.

Across the states, Labor governments have imposed real pay cuts on public sector workers through wage caps and union-brokered enterprise agreements that keep pay rises below inflation. Social spending on health, education, and welfare has been cut by billions in real terms since Prime Minister Anthony Albanese took office.

These measures are not accidental, they are part of a conscious program to extract ever-greater profits from the working class amid a descent into global imperialist conflict.

The trade union bureaucracies, fully integrated into the state and corporate apparatus, help enforce this agenda—suppressing strikes, imposing sub-inflationary agreements, and stifling opposition within the working class.

Under capitalism, the vast majority of the population face a future of growing financial strain, declining living standards, and worsening health. To prevent this, what is required is a fight by the working class against the entire political establishment, including the Labor governments and complicit unions. Only through such a political struggle can the working class defeat the capitalist system and lay the foundation for a socialist society based on social need rather than private profit.



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