

Australian welfare recipients far below the poverty line

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Australians relying on welfare payments such as JobSeeker, Youth Allowance and the Parenting Payment are being forced to survive far below the poverty line, facing worsening conditions of deprivation, stress and social exclusion.

This is the stark reality exposed in the “Poverty in Australia 2025” report released last month by the Australian Council of Social Service (ACOSS) and the University of New South Wales (UNSW). The report reveals not only a growing number of people in poverty, but an alarming increase in how far below the poverty line they are falling—a measure known as the poverty gap.

The findings reflect a deepening social crisis for the working class in Australia, driven by stagnant welfare payments, skyrocketing rents and increasing inequality across health, education and essential services.

The report shows that 3.7 million people, or 14.2 percent of the population, were living in poverty in 2022–23. This includes 757,000 children, many from single-parent households, who are among the most at risk. The report uses the Melbourne Institute’s “poverty line” calculation, based on 50 percent of median household after-tax income: \$584 per week for a single adult, or \$1,226 a week for a couple with two children.

But the headline poverty rate tells only part of the story. The depth of poverty—how far people are below the poverty line—is worsening sharply. The average shortfall for people living in poverty was \$390 per week after housing costs, a figure that has increased by \$18 since 2019–20. For families with children living in poverty, this figure was \$464. This is not just poverty; it is unyielding hardship.

The report makes clear that Australia’s social security system is not designed to abolish poverty but

to maintain it. The federal Labor government’s token increases to JobSeeker and other welfare payments in September 2023, amounting to just \$4 a day, have done nothing to alleviate this.

After these increases, according to ACOSS, a person on Youth Allowance still received \$279 per week less than the poverty line, and on JobSeeker \$205 less. Single parents with school-age children received the largest rise, \$134 a week for a sole parent with two kids aged 8–12, but were still an average of \$163 per week short of the poverty line.

Despite inflation and rapidly rising living costs, the government has refused to increase these payments to a level one can live on. Australia’s unemployment benefit is still among the lowest (as a percentage of average wages) in the OECD, and well below what is needed for people to afford rent, food, transport and other essentials. This impacts more than 1.4 million people who rely on these payments to survive. Many are forced to skip meals or avoid medical care to avoid falling further into debt.

ACOSS reports that housing costs are now the number one driver of poverty. Once rent is paid, many households are left with next to nothing. Private renters are especially vulnerable, with 57 percent of low-income renters experiencing housing stress, spending over 30 percent of income on rent, and 52 percent in severe housing stress, paying over 50 percent of their income to landlords.

Rents have skyrocketed since 2021, increasing by 40 percent in Sydney, 34 percent in Melbourne, and 41 percent in Brisbane. According to a recent report by Everybody’s Home, the average advertised rent across all capital cities in June was \$858 for a house and \$639 for an apartment.

Yet government rent assistance (a maximum of just

\$107.70 per week for singles with no children and \$143.01 for families with three or more children) covers only a fraction of these costs. Labor’s widely publicised \$1.9 billion (over five years) rental assistance package translates to a mere \$11 per week increase.

The 2024 Anglicare Rental Affordability Snapshot confirms this crisis. Out of 45,115 rental listings, only 160 houses (0.4 percent of the market) were affordable for a couple with two children on JobSeeker. Suburbtrends data shows three-quarters of Australian suburbs are now in “extreme rental pain.” Working-class areas, especially in outer metropolitan and regional zones, are the worst affected.

For working-class families in areas like the western Sydney suburbs of Mt Druitt, Campbelltown or Blacktown, poverty is almost inescapable. A child’s postcode now has more impact on their future than ever before.

Australia’s public systems are amplifying poverty. Underfunding has left schools and hospitals in poorer areas struggling to meet basic needs. Low-income communities are facing overcrowded classrooms, teacher shortages, fewer support programs, long hospital wait times, and declining access to bulk-billed GPs.

As a result, children from poor families are falling behind at school, and adults are experiencing deteriorating health due to delayed or unaffordable treatment.

The ACOSS report’s authors warn that the situation has deteriorated even further since the 2022–23 data was collected. The cost of living has continued to rise, rents have increased further, public health and education systems are under greater strain, and the real value of welfare payments has fallen further behind.

This all amounts to a decline in living standards, the likes of which has not been seen for decades. Poverty is becoming deeper, more geographically entrenched, and harder to escape.

As more Australians struggle to pay rent, skip meals, or go without health care or medication, Australia’s largest supermarket chains—Coles and Woolworths—have posted combined 2024–25 profits of some \$2.5 billion.

This deepening inequality is not accidental. It is the direct result of the pro-business agenda of the ruling

class, carried out most aggressively by Labor governments at the state and federal level, which have prioritised budget austerity, tax cuts for the wealthy and military spending over the needs of ordinary people.

Amid a national affordability crisis, this includes the wholesale destruction of public housing, including the Victorian Labor government’s demolition operation to tear down Melbourne’s 44 public housing towers, displacing some 10,000 working-class and poor residents. A similar scheme is underway in Sydney, with the NSW Labor government in the process of turfing 3,000 residents out of the Waterloo South housing estate. In both cases, the transparent aim is to vacate lucrative inner-city blocks to hand over to private developers, who will make vast profits from selling newly constructed homes in the prime locations at exorbitant prices.

The struggle for basic social rights, including secure housing, adequate welfare and access to high-quality healthcare and education, is inseparable from a broader political fight. Addressing these crises created by the capitalist system demands the building of a mass movement of the working class, rooted in socialist principles, to reshape society in the interests of the many, not the profit-driven agendas of corporations, banks, and the imperialist war machine.



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