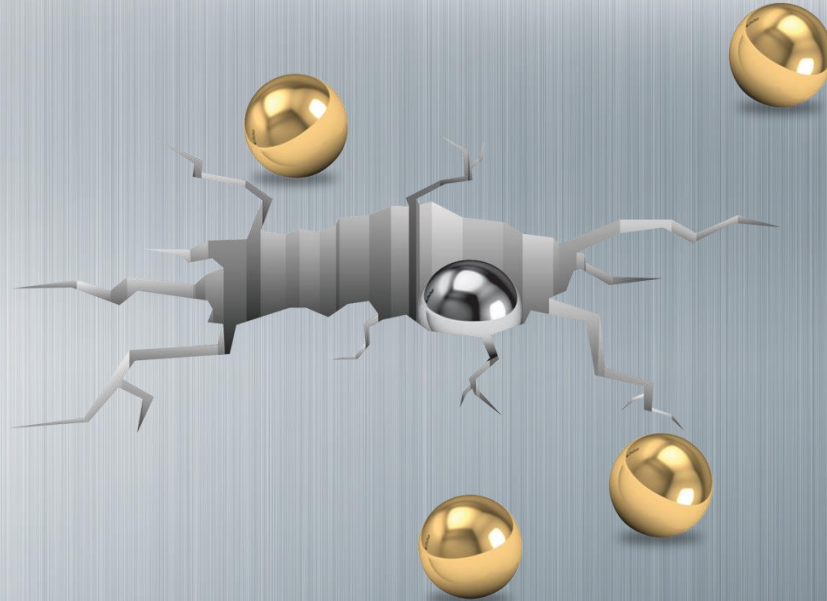


BANKWEST CURTIN ECONOMICS CENTRE

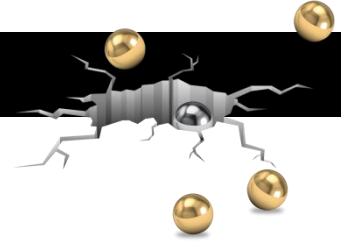
POVERTY IN WA

WACOSS Anti-Poverty Week breakfast,
Bankwest Place, 17th October 2016



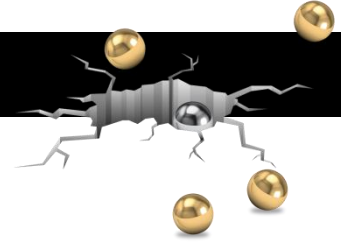
Alan
Duncan

Director, Bankwest Curtin Economics
Centre



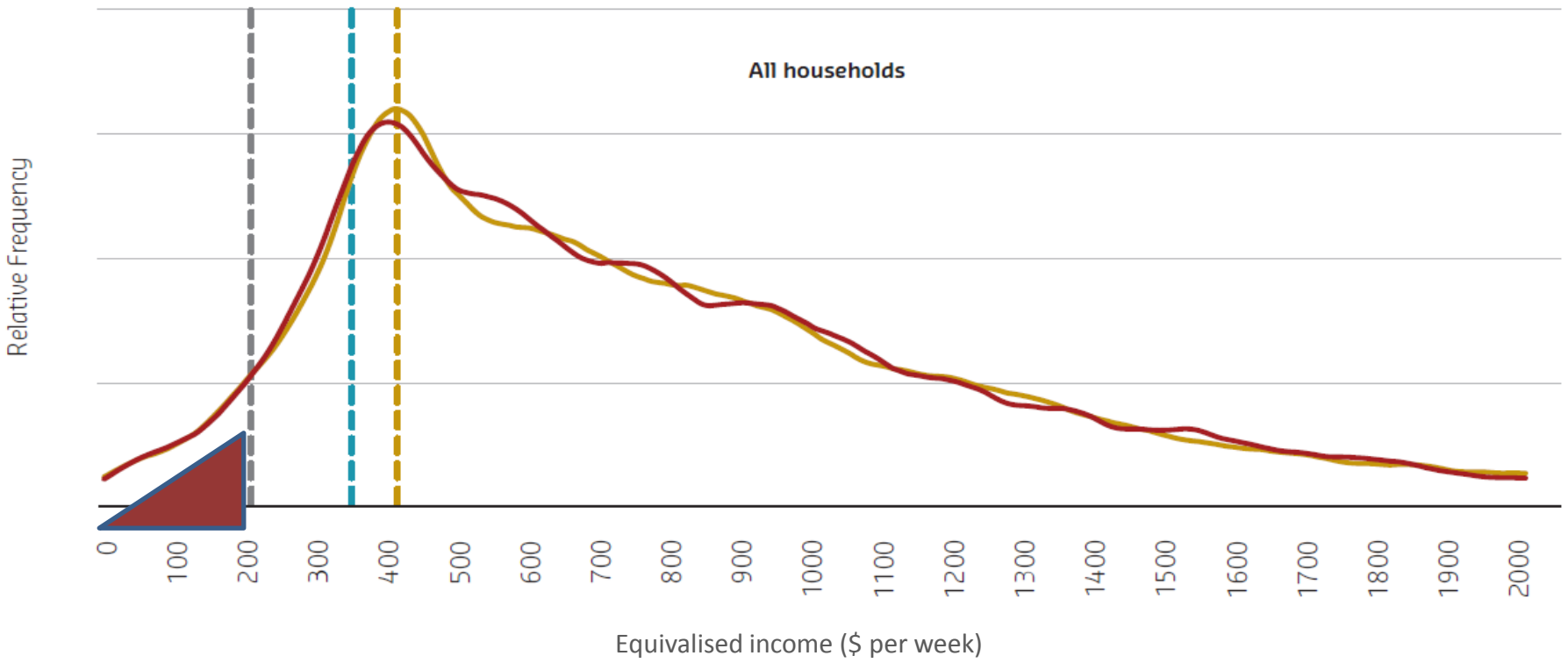
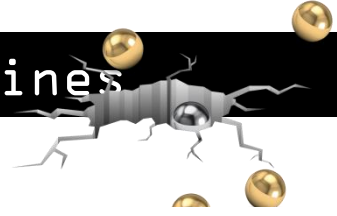
- How to measure income poverty?
- Incidence and depth of income poverty
- Issues for Western Australia
- Prevalence of poverty – who are at highest risk?
- Health consequences of persistent poverty

What is income poverty?

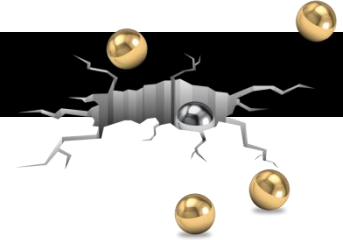


- A measure of the deficiency of income relative to a benchmark.
- ‘Standard’ income poverty measure is 50% median.
- More severe measure – 30% median.
- Standardised to control for household needs, using *equivalised* disposable income after housing costs.

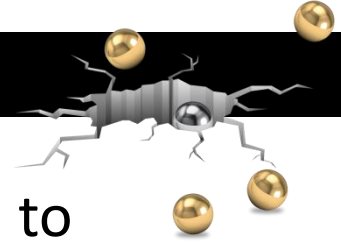
Distribution of equivalised income and poverty lines



Depth of income poverty

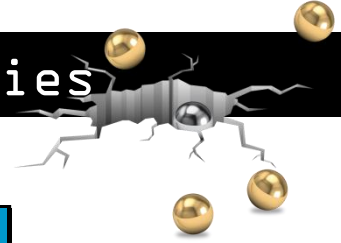


Poverty line	Households		Persons		Children	
	No.	%	No.	%	No.	%
30% median	488,016	5.7%	1,106,707	5.0%	312,999	5.9%
40% median	779,394	9.1%	1,719,972	7.8%	479,863	9.0%
50% median	1,273,455	14.8%	2,836,066	12.9%	812,931	15.3%
60% median	2,005,628	23.4%	4,359,009	19.8%	1,180,985	22.2%



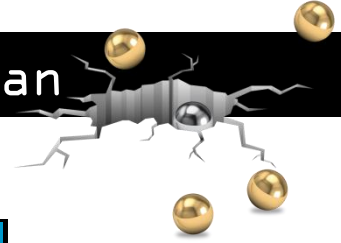
- Studies like WACOSS' Cost of Living survey are essential to provide poverty analysis with a greater WA context.
- 'Typical' disposable incomes in WA are higher than most other states and territories, **BUT**
- This has an effect on prices and the cost of living, which is demonstrably higher in WA than many other states.
- Hence, the real value of income for those on government payments or pensions is lower in WA than elsewhere.

Median incomes differ across states and territories



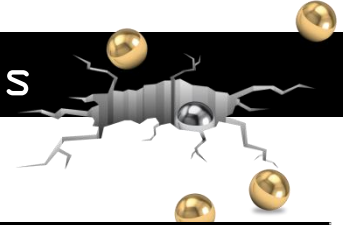
State	Median equivalised disposable incomes by state/territory and year (\$ per week, 2016 prices)						
	2003-04	2005-06	2007-08	2009-10	2011-12	2013-14	
New South Wales	553	569	627	656	670	691	4
Victoria	551	573	682	664	661	712	3
Queensland	508	576	668	654	670	671	5
South Australia	508	543	625	654	627	639	6
Western Australia	534	590	707	708	760	775	2
Tasmania	495	526	567	594	604	628	7
ACT/NT	681	767	852	917	899	940	1
Australia	537	574	656	666	678	697	

State median incomes as a share of national median



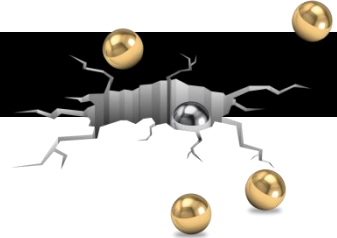
State	Median equivalised disposable incomes by state/territory and year as a share of national median (%)					
	2003-04	2005-06	2007-08	2009-10	2011-12	2013-14
New South Wales	103%	99%	96%	98%	99%	99%
Victoria	103%	100%	104%	100%	97%	102%
Queensland	95%	100%	102%	98%	99%	96%
South Australia	95%	95%	95%	98%	92%	92%
Western Australia	99%	103%	108%	106%	112%	111%
Tasmania	92%	92%	86%	89%	89%	90%
ACT/NT	127%	134%	130%	138%	133%	135%

Poverty rates using state-specific median incomes



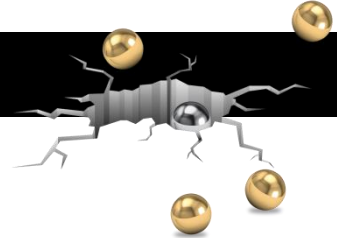
State	Median equivalised disposable incomes by state/territory and year as a share of national median (%)						National poverty line	State poverty line
	2003-04	2005-06	2007-08	2009-10	2011-12	2013-14		
New South Wales	103%	99%	96%	98%	99%	99%	16.6%	16.6%
Victoria	103%	100%	104%	100%	97%	102%	16.6%	15.9%
Queensland	95%	100%	102%	98%	99%	96%	16.0%	14.6%
South Australia	95%	95%	95%	98%	92%	92%	14.9%	12.2%
Western Australia	99%	103%	108%	106%	112%	111%	14.1%	17.6%
Tasmania	92%	92%	86%	89%	89%	90%	16.7%	11.9%
ACT/NT	127%	134%	130%	138%	133%	135%	10.2%	15.8%

WA poverty rates by tenure and family



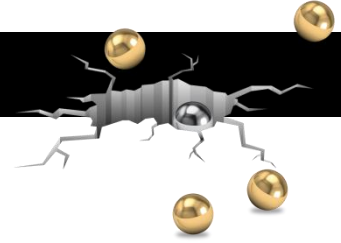
Household type	Proportion of households with equivalised disposable incomes below 50% of median , by family and housing status		
	Owner, no mortgage	Mortgage holder	Renter
	Non-elderly couple only	8.4%	6.2%
Non-elderly couple with kids	2.8%	6.0%	17.0%
One parent with kids	3.1%	22.9%	30.0%
Non-elderly single male	7.5%	16.8%	15.9%
Non-elderly single female	13.1%	20.7%	27.5%
Elderly couple	3.6%	7.6%	19.7%
Elderly single male	2.0%	9.3%	39.6%
Elderly single female	5.9%	12.1%	30.1%

WA poverty count by tenure and family

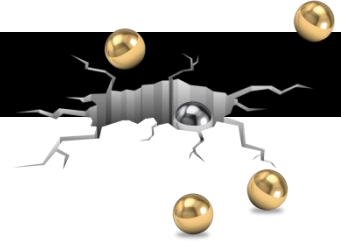


Household type	Number of people with equivalised disposable incomes below 50% of median, by family		
	Owner, no mortgage	Mortgage holder	Renter
Non-elderly couple only	8,058	13,383	9,946
Non-elderly couple with kids	5,510	52,085	53,294
One parent with kids	618	8,930	30,985
Non-elderly single male	1,099	5,314	7,632
Non-elderly single female	2,037	4,482	6,899
Elderly couple	7,379	1,611	3,378
Elderly single male	385	21	3,616
Elderly single female	2,725	221	2,956
	27,811	86,047	118,706

Who faces a higher incidence of income poverty?

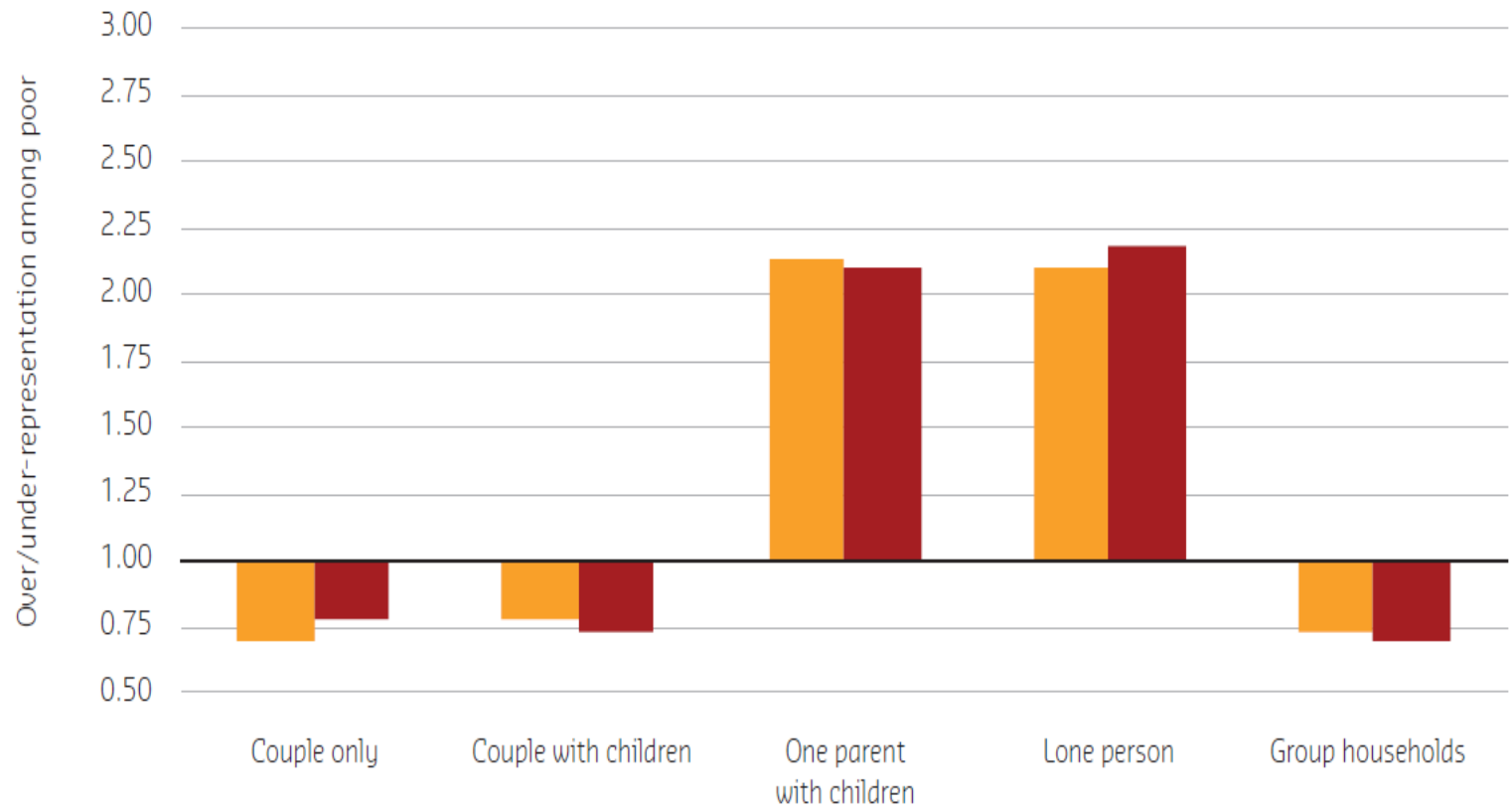
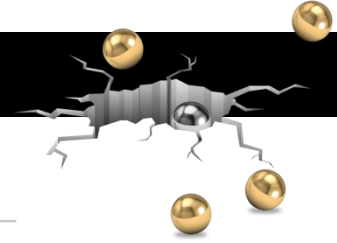


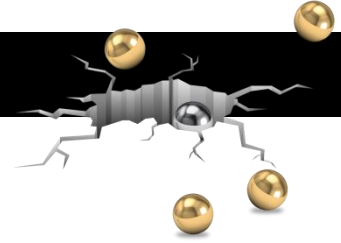
- Single parent and lone person households
- Renting
- Low qualifications
- Household head is female and relatively young
- Indigenous families
- Those with long-term health issue or disability



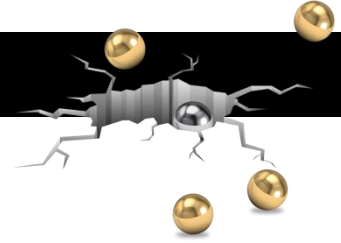
- Single (with or without children) increases risk of poverty
- More likely to be experiencing financial hardship and material deprivation.
- Over 25% of persons in single parent households are in poverty and one in seven in severe poverty.
- Lone person - \$145; single parent - \$280 per week

Being single

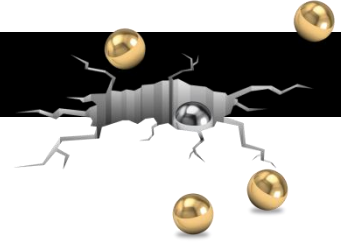




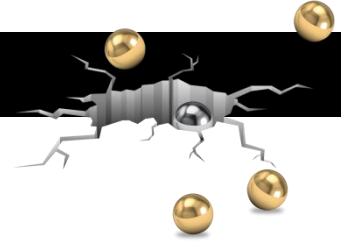
- Singles are far more likely to be in poverty for longer
- **One-third of a million** (337,000) lone persons have been in poverty for at least five of the last ten years.
- A **quarter of a million** (235,000) single parents have been in poverty for at least five of the last ten years.
- **One in four** elderly single male or female households have been in poverty for four or more years.



- Poverty rate for renters in Australia more than **twice** that for mortgage holders and **three times** the rate for owners without mortgages.
- Huge increase in poverty across the life-course for single people in rented accommodation.
- Around 29% of lone renters aged under 35 are in poverty, but the rate rises to **nearly 40% for lone persons aged 35 to 54** and **more than half** for those approaching retirement age.

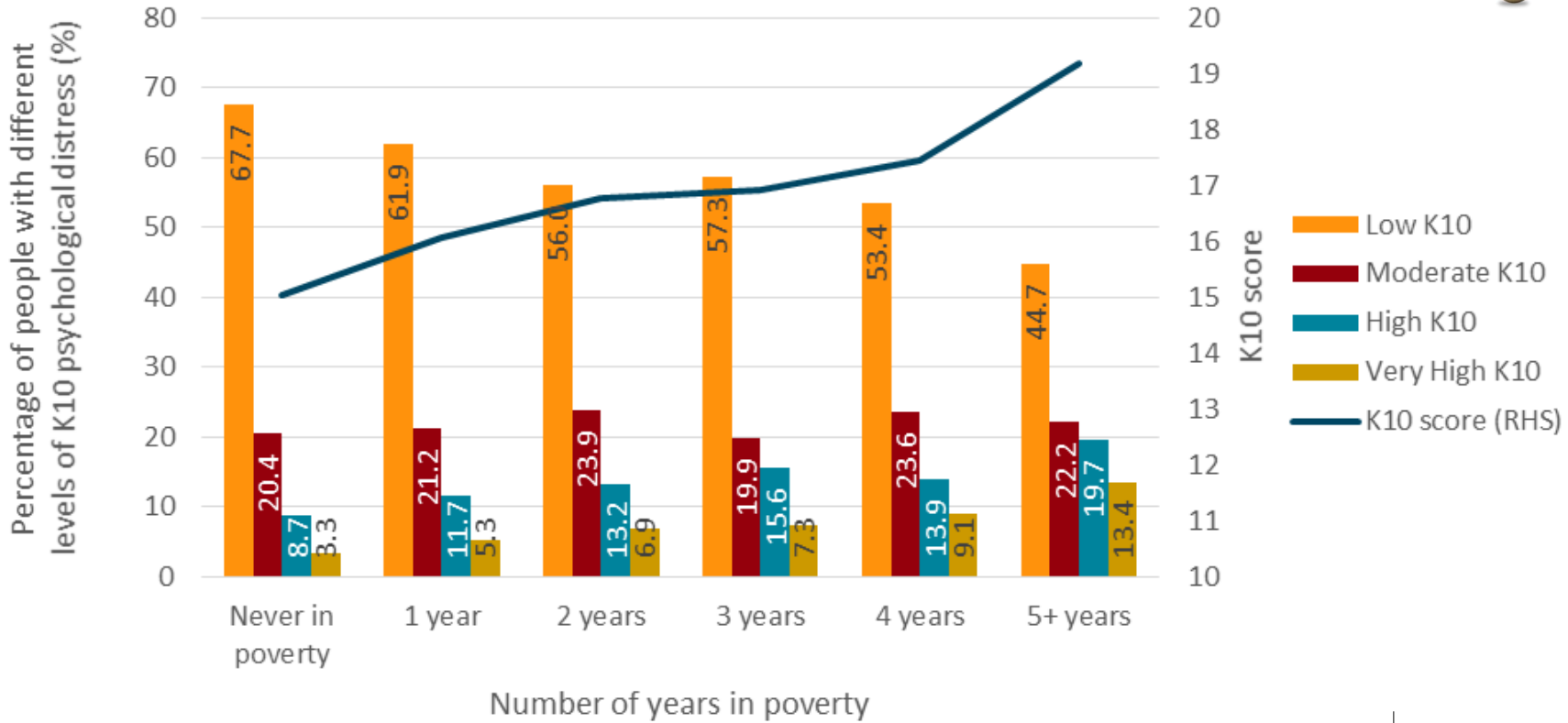
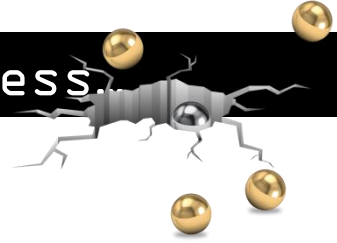


- Strong relationship between joblessness and poverty
- Jobless households are over-represented at various poverty depths, and are 7 times more likely to be in severe poverty than other households
- Severe poverty rises significantly with the duration of unemployment

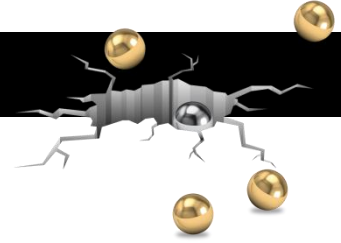


- **But** – journey to employment and employment as a means of escaping poverty isn't straightforward.
- Working poor
- Locational Disadvantage
- Indigenous
- Disability

Persistent poverty increases psychological distress.



Who is falling through the cracks?



- Housing
- Jobless households
- Being single
- Health and Disability
- Indigenous
- Location