

Media Release

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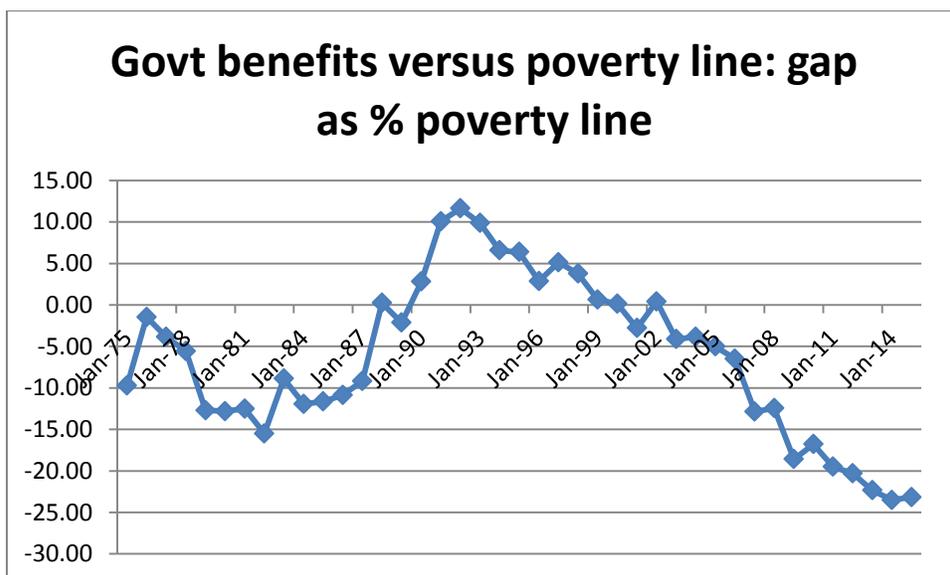
Australia fails to hold the poverty line

As the Turnbull Government prepares to deliver tax cuts for high income earners and highly profitable corporations, including large banks, the latest data shows those living on government assistance are slipping further below the poverty line.

Professor Ronald Henderson delivered a major report to the government in 1973, which established an absolute poverty line, often referred to as the 'Henderson poverty line'.

The Australia Institute periodically graphs the difference between the Henderson poverty line and the amount of government assistance going to an unemployed family of four, two adults and two children.

The graph shows that there is now an unprecedented gap between the poverty line and what that family receives.



Source: TAI calculations based on based on data from the Melbourne Institute of Applied Economic and Social Research (various years) *Poverty Lines: Australia*, June Quarters.

In the lead up to the 2016 Budget the Melbourne Institute of Applied Economic and Social Research released the latest Henderson poverty lines. The figures show that many of the people dependent on government assistance are well below the poverty line.

The table below includes family data and highlights some of the most egregious examples—those relying on Newstart or the equivalent.

For media enquiries, please contact:

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Table 1 Gap between poverty lines and government assistance

	Total government support	Poverty line	Difference	Below poverty line
Married couple	\$	\$	\$	%
Allowee	541.40	696.29	154.89	22.2
Couple with 1 child	675.07	836.97	161.90	19.3
2 children	766.70	977.66	210.96	21.6
3 children	897.89	1,118.34	220.45	19.7
4 children	1,023.33	1,259.03	235.70	18.7
Single adult				
Allowee	330.80	520.51	189.71	36.4
Single with 1 child	590.60	569.68	-20.92	-3.7
2 children	682.23	710.37	28.14	4.0
3 children	813.41	851.05	37.64	4.4
4 children	938.85	991.74	52.89	5.3

Source: TAI calculations based on data from the Melbourne Institute of Applied Economic and Social Research (2016) *Poverty Lines: Australia*, December Quarter.

“A single adult is \$189.71 below the poverty line,” Senior Research Fellow at The Australia Institute, David Richardson said.

“Note that these figures are based on getting the full benefits from Centrelink including rent assistance of up to \$85.75 depending on family size. That assistance is based on the needs identified in 1975 and up-dated since.

“Australia needs another poverty inquiry to determine whether the Australian poverty lines need redefining to reflect modern rents, especially in the capital cities.

“How can a country run a policy of five per cent unemployment and keep them so far below the poverty line?” Richardson asked?

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