It is no surprise that poverty is linked to homelessness. 12% of all people and 17% of children in Australia live in poverty.

What is poverty?

When talking about poverty we often hear about “the poverty line”. The poverty line means that those with an income below a certain point do not have the means to meet their essential needs and therefore are in poverty. In Australia, poverty is relative, and people are considered to be “poor” if their living standards are below an overall community standard. Poverty is not just about how much income a person or family has coming in – but also denial of opportunity.
How many people live in poverty in Australia?
There are 2,265,000 people in Australia living in poverty and 575,000 children living below the poverty line.

Housing and poverty
The cost of housing has a significant impact on poverty. Housing is the largest single expenditure item in the household budget for low and moderate income earners, with over 720,000 households paying more than 30% of their take home income on housing and more than 460,000 households spending more than 50% of their income on housing. Housing stress affects more than one in ten Australian households and one in four households in the private rental market.

In the last five years the cost of housing – both to buy and rent – has increased rapidly increasing the risk of people falling into poverty.

Home ownership, especially amongst older Australians, can provide significant protection against poverty, however increasing house prices are forcing generations out of the housing market.

Homelessness and Poverty
Poverty is an underlying cause of homelessness. The circumstances of poverty that can lead a person to become homeless include: having little money, debt, a lack of education, poor mental and physical health, disability, reliance on public housing, living in sub-standard accommodation and social exclusion.

Not everyone who approaches specialist homelessness services is homeless: over half of people are at risk of homelessness and are looking for assistance to retain their housing or to get general help (such as material aid or brokerage). 47% of people seeking assistance from specialist homelessness services did so because of financial issues.

How can we reduce poverty in Australia?
Poverty is everyone’s responsibility!
Governments must be encouraged to implement policies and strategies that reduce social inequality. We must ensure that Australia’s welfare system provides a sufficient income for every citizen. There also needs to be investment in housing. More than 250,000 Australians are sitting on public housing wait lists, so a sustained ongoing investment by the Government to provide for those not provided for in the housing market is required. Changes are needed in the housing system to reward investment in affordable housing and increase housing supply.

Business, government and communities need to provide people who are in poverty with increased opportunities for civic and economic participation and engagement through employment, education, training and social inclusion.