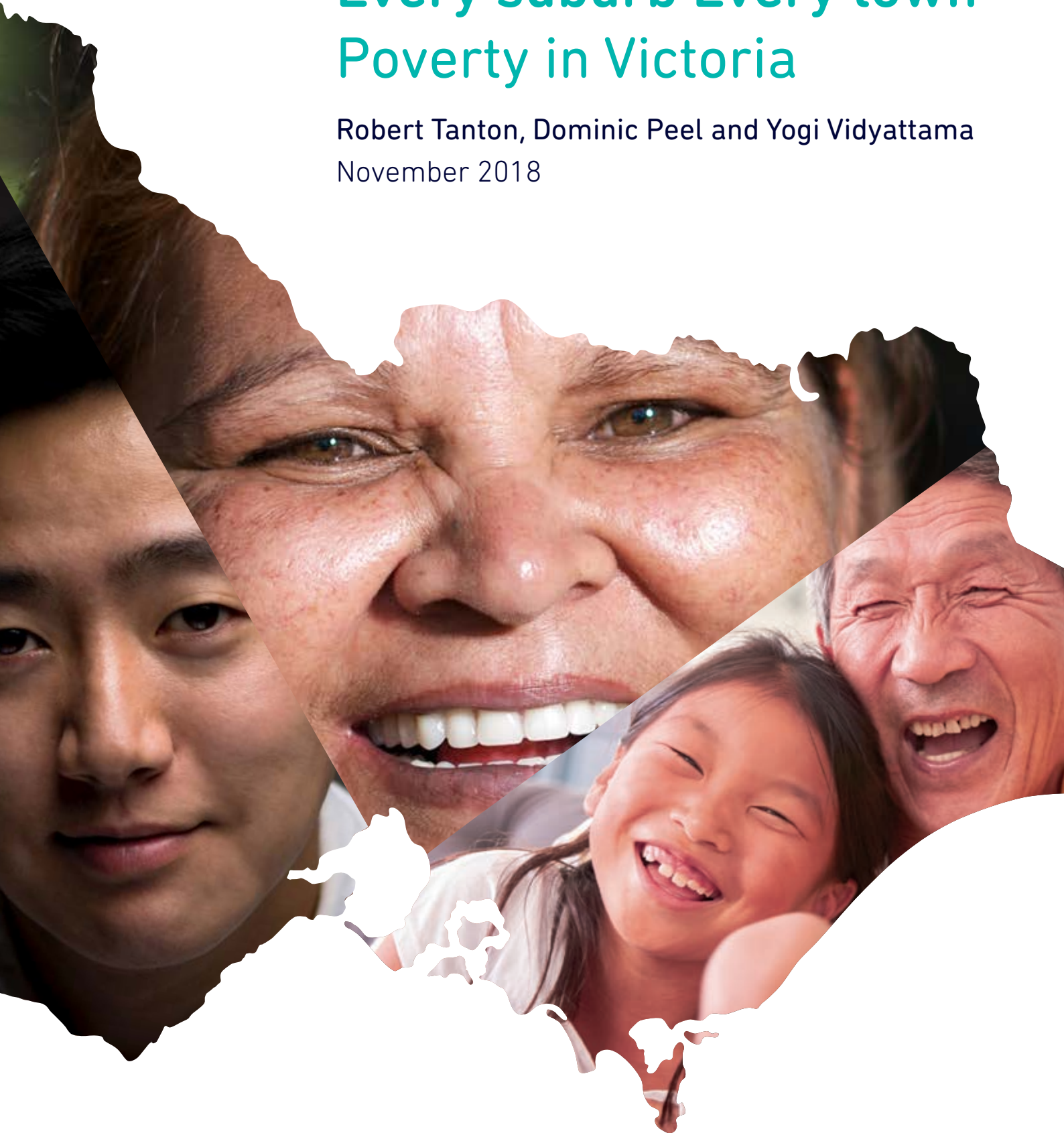


Every suburb Every town

Poverty in Victoria

Robert Tanton, Dominic Peel and Yogi Vidyattama
November 2018





About NATSEM/IGPA

The National Centre for Social and Economic Modelling (NATSEM) was established on 1 January 1993 and supports its activities through research grants, commissioned research and longer term contracts for policy analysis and model development and maintenance.

In January 2014, the Institute for Governance and Policy Analysis (IGPA) at the University of Canberra was established to harness the research strengths of NATSEM and the ANZSOG Institute for Governance (ANZSIG). The aim of this Institute is to create and sustain an international class research institution for the study and practice of governance and public policy.

The Institute has a strong social mission committed to the production of leading edge research and research driven education programs with genuine public value and, by implication, policy impact. The integration of ANZSIG and NATSEM has created exciting opportunities for the development of cutting edge research in public policy analysis through combining expertise in qualitative and quantitative methods, micro-simulation and policy modelling and evaluation.

NATSEM is one of three research centres within IGPA. NATSEM aims to be a key contributor to social and economic policy debate and analysis by undertaking independent and impartial research of the highest quality, including supplying valued commissioned research services. NATSEM is one of Australia's leading economic and social policy research centres and is regarded as one of the world's foremost centres of excellence for micro-data analysis, microsimulation modelling and policy evaluation. In keeping with IGPA's core mission, NATSEM's research activities aim to have significant policy impact and lead to social and economic change.

IGPA Director: Professor Mark Evans
NATSEM Directors: Professor Robert Tanton and
Professor Laurie Brown

About VCOSS

As the peak body for the state's social and community sector, VCOSS works towards eliminating poverty and disadvantage in all forms and creating a society where everyone is supported to thrive.

We do this through policy development, public and private advocacy and increasing the capabilities of the state's social service organisations.

We also give people experiencing poverty a voice in policy formulation and public debates, fostering a greater understanding of the true causes and effects of disadvantage.

Our members include charities, peak bodies, frontline service groups, advocacy organisations and individuals passionate about developing a sustainable, fair and equitable society.

Visit www.vcooss.org.au for more information.

Author note

Authors of this report are:

Professor Robert Tanton, University of Canberra

Dominic Peel, University of Canberra

Dr Yogi Vidyattama, University of Canberra

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Acronyms

ABS	Australian Bureau of Statistics
ASGS	Australian Statistical Geography Standards
IGPA	Institute for Governance and Policy Analysis
NATSEM	National Centre for Social and Economic Modelling
VIC	Victoria
SA2	Statistical Areas Level Two
SPRC	Social Policy Research Centre
VCOSS	Victorian Council of Social Service

Contents

Acronyms	4
Executive summary	6
Methodology	8
Calculating poverty	8
Data sources	9
Victorian poverty rates	10
The composition of poverty	14
Gender and poverty	16
Age and poverty	20
Families and poverty	24
Employment and poverty	28
Housing and poverty	32
Disability and poverty	36
Aboriginal Victorians and poverty	38
Discussion	40
Conclusions	42
References	43
Appendix	44

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Executive summary

Everybody intuitively knows people live in poverty in every suburb, town and rural community in Victoria. Despite this, we can easily fall into the trap of labelling some places as 'rich' and others as 'poor'.

Popular culture and media reporting often reinforces this false view and can lead policy makers to overlook the real face of Victorian poverty. Public policy inevitably suffers as a result.

Even evidence-based poverty rates are reported as an undifferentiated headline rate, doing nothing to debunk the 'rich' versus 'poor' areas myth. This research confronts these myths head on, showing the people and places behind the headline numbers.

For the first time, we break down poverty in Victoria, allowing policy makers to better target the needs of people in different places. We have created an interactive mapping site at povertymaps.vcross.org.au allowing everyone to better understand the specific nature of poverty in their local community.

By using complex modelling techniques, the National Centre for Social and Economic Modelling (NATSEM) has produced poverty estimates for different groups in different areas. We calculated poverty rates after housing costs to give a truer picture of available income for life's other necessities.

These estimates provide a more sophisticated picture of who experiences poverty, and where they live, than ever before – including their age, gender, disability status, employment, family arrangements, and housing tenure. They show the characteristics of people living in poverty vary markedly from one community to another.

Key findings

- 774,000 Victorians live in poverty (13.2%)
- Regional Victoria has a higher poverty rate than Melbourne (15.1% versus 12.6%)
- More than 1 in 6 Victorian children live in poverty (18.7% or 198,600 children)
- Women comprise the majority of adults living in poverty (54.1% or 311,800 women)
- A majority of people experiencing poverty live in families with children (57.8% or 447,300 people)
- A majority of people living in poverty live in owner-occupied homes (51.4% or 397,900 people)
- More than one third of adults living in poverty have a disability (34.3% or 197,600 people)
- More than a quarter of adults living in poverty have a job (28.2% or 162,600 people)
- Even the richest communities had poverty rates from 6%
- High poverty communities had poverty rates of up to 40%

This rare analysis allows organisations to effectively target local service delivery. We hope it will be used by governments, community planners and service providers for better services.

As an example, women form the majority of people living in poverty, but men make up a majority in some of Melbourne's inner suburbs. There are many more examples like this.

The big message here is that poverty affects a diverse range of people, in every Victorian community – but it affects them differently.

People living in poverty may own their home, work full-time, or be raising families. They include children, and older people in retirement. Importantly, the character of poverty can be profoundly different in different places.

There is no 'one-size-fits-all' profile of poverty, and the differences in the composition of poverty in different places may have consequences for local policy development and service delivery.

We hope this report makes a contribution to better-targeted and evidence-based policy responses to start reducing poverty in Victoria by meeting the specific needs of different groups facing different challenges.

> View data for every local area at povertymaps.vcross.org.au



Methodology

Despite living in a wealthy state in a wealthy country, many Victorians live in poverty. Poverty means not having enough available income to afford life's necessities. This report looks at measures of poverty after housing costs are taken into account, providing a truer picture of poverty compared to a before housing cost poverty rate.

Poverty can lead to an inability to pay for food, shelter, clothing or healthcare, exclusion from social activities and/or severe stress from chronic insecurity.

Accurate estimates of the demographic groups and geographic areas affected by poverty allows policy makers to respond to specific issues in specific communities. They can help identify the nature and extent of the problem and helps focus resources.

This report provides data on two demographic perspectives of poverty. It provides poverty rates for local areas and particular groups of people, such as unemployed people or people living in public housing. It also reports the composition of poverty, meaning of all people experiencing poverty in an area, the proportion who live in single parents families, or who have a disability.

Calculating poverty

This report uses a half-median after-housing equivalised disposable income poverty line. We calculated this poverty line at \$353.45 per week. We calculate poverty rates by reporting the percentage of people in area who live in households who fall below this poverty line.

To produce the poverty line, we calculate a household's disposable income, after paying direct taxes and receiving income support payments. We subtract the household's housing costs, including rent, mortgage payments and water and property rates. We then make an adjustment for the number and age of people living in the household, so income can be compared in families of different sizes. We then find the median figure, at which half the population is above, and half is below. The poverty line is half this amount.

This is a standard definition of poverty used in Australia (Social Policy Research Centre, 2016).

The cost of housing varies considerably across Victoria and subtracting housing costs from incomes before calculating poverty rates provides a better measure for comparing poverty across the state.

Discrepancies in housing costs affect disposable incomes available to households. For example, in some areas of Victoria a family home can be rented for less than \$150 a week, while a similar home in Melbourne would cost more than \$600 a week.

After-housing poverty rates were used by ACOSS in their poverty report (Social Policy Research Centre, 2018). This report adopts their method for calculating poverty rates. These figures are broadly equivalent to the ACOSS estimates at the state level.

This report also provides figures for the composition of poverty. This is to say, of all people in an area who are in poverty, what proportion is male or female, or Aboriginal or not. This gives a slightly different view of poverty.

For example, while Aboriginal poverty rates tend to be very high, Aboriginal people may still represent a small proportion of total poverty, as Aboriginal people make up only a small proportion of the total population.

Data sources

This report calculates Victorian estimates directly from the 2015-16 ABS Survey of Income and Housing. Small area estimates of poverty were calculated using NATSEM's spatial microsimulation model. They are available for suburbs in Melbourne and SA2's across Victoria, using the interactive online resource accompanying this report, accessible at **povertymaps.vcross.org.au**. Summing these small area estimates will get close to, but won't exactly match, the Victorian estimates due to model error introduced in our small area modelling process.

Poverty estimates are not typically available at a small area level, particularly when cross-tabulated with other data, however in recent years the National Centre for Social and Economic Modelling at the University of Canberra has developed synthetic estimates based on ABS survey and Census data (Tanton, Vidyattama, Nepal, & McNamara, 2011).

This method has been used for the online maps and the map presented in this report, but not for the State level results in this report, which are nearly all calculated directly from the ABS survey.

For the online maps, the ABS standard geography SA2 was used. This equates roughly to suburbs in Melbourne or localities in regional areas.

Poverty rates for people with a disability were not available from the small area estimation modelling due to technical difficulties, but were calculated at the state level directly from the ABS Survey of Income and Housing.

Poverty rates for Aboriginal¹ people were not available on the survey, but were available from the small area estimation model. However, they were not reliable for small areas due to low sample sizes, so have only been presented at the state and capital city/balance of state level.

¹ Note: This report uses the term 'Aboriginal' to be inclusive of all Aboriginal and Torres Strait Islander people.





Victorian poverty rates

In 2015-16, the overall poverty rate in Victoria was 13.2%². The poverty rate was 12.6% in Greater Melbourne and 15.1% in the rest of the state. These rates were similar to the overall rate for Australia, which was 13.1%.

However, poverty rates differed considerably between demographics and areas. For example, the poverty rate for Aboriginal people in Victoria was 25.4%, nearly double the overall rate.

Rates tend to be lower among those who were employed full-time (3.5%) and higher among unemployed people (34.7%).

They were lower among couples without dependent children (9.1%) and higher among lone parents (36%).

Poverty rates were lower for those who owned their homes outright (8.8%) and higher for those in public housing (51.4%). This is partly due to using an after housing costs poverty line.

Poverty rates for all groups considered in this report are provided in Table 1.

² Calculated from the 2015-16 Australian Bureau of Statistics Survey of Income and Housing.

Table 1

Poverty rates for different demographics in Victoria, Greater Melbourne and the Rest of Victoria

Demographic	Victoria	Greater Melbourne	Rest of Victoria
Overall	13%	13%	15%
Overall (over 15)	12%	12%	13%
Male (over 15)	11%	11%	12%
Female (over 15)	13%	12%	15%
Under 15	19%	17%	23%
15-24	15%	15%	18%
25-64	12%	11%	14%
65+	10%	10%	9%
Couple only	9%	10%	8%
Couple with dependent children	12%	12%	13%
Lone parent	36%	33%	44%
Lone person	21%	21%	20%
Other household type	7%	6%	12%
Employed full-time ³	3%	3%	5%
Employed part-time	8%	8%	9%
Unemployed	35%	33%	41%
Aged 15-64 not in labour force	28%	28%	29%
Aged 65+ and not in labour force	10%	11%	9%
Own home outright	9%	8%	11%
Own home with mortgage	10%	9%	11%
Private rental	21%	20%	26%
Public rental	51%	50%	54%
Other household tenure	19%	21%	14%
Disability (over 15)	15%	14%	16%
No disability (over 15)	11%	11%	12%
Aboriginal ⁴	25%	21%	30%
Not Aboriginal	13%	12%	15%

3 This is the proportion of all people in households experiencing poverty with this employment status, rather than the proportion of people in households in poverty where the head of household experiences this employment status, as used in the ACOSS report. This is to ensure consistency with our later area based analysis.

4 Calculated from NATSEM's synthetic population rather than direct from the Survey of Income and Housing.

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Poverty rates varied by region. The SA2 with the lowest poverty rate was Beaumaris at 6%, and the SA2 with the highest poverty rate was Carlton at 40%.

The most common poverty rates for Victorian SA2s are between 10 and 20% (Figure 1). Some areas were outside this range, and 15% of areas had poverty rates below 10%, while 3% had poverty rates above 25%.

Figure 1
Frequency distribution of poverty rates across Victorian SA2s

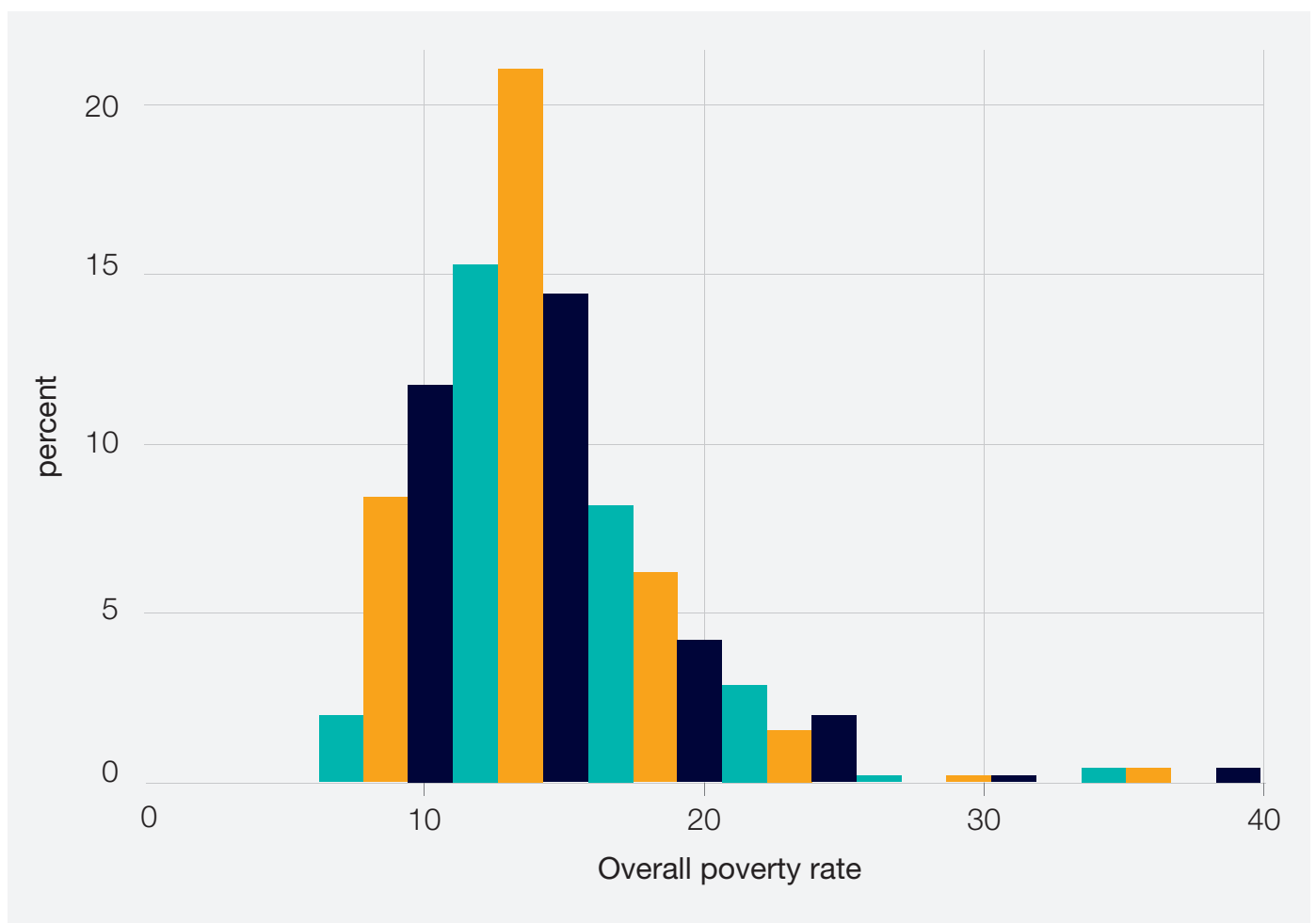


Figure 2 shows the regions with the highest poverty rates tended to cluster in the outer suburbs of Melbourne. The areas with the lowest levels of poverty were also primarily clustered in and around Melbourne.

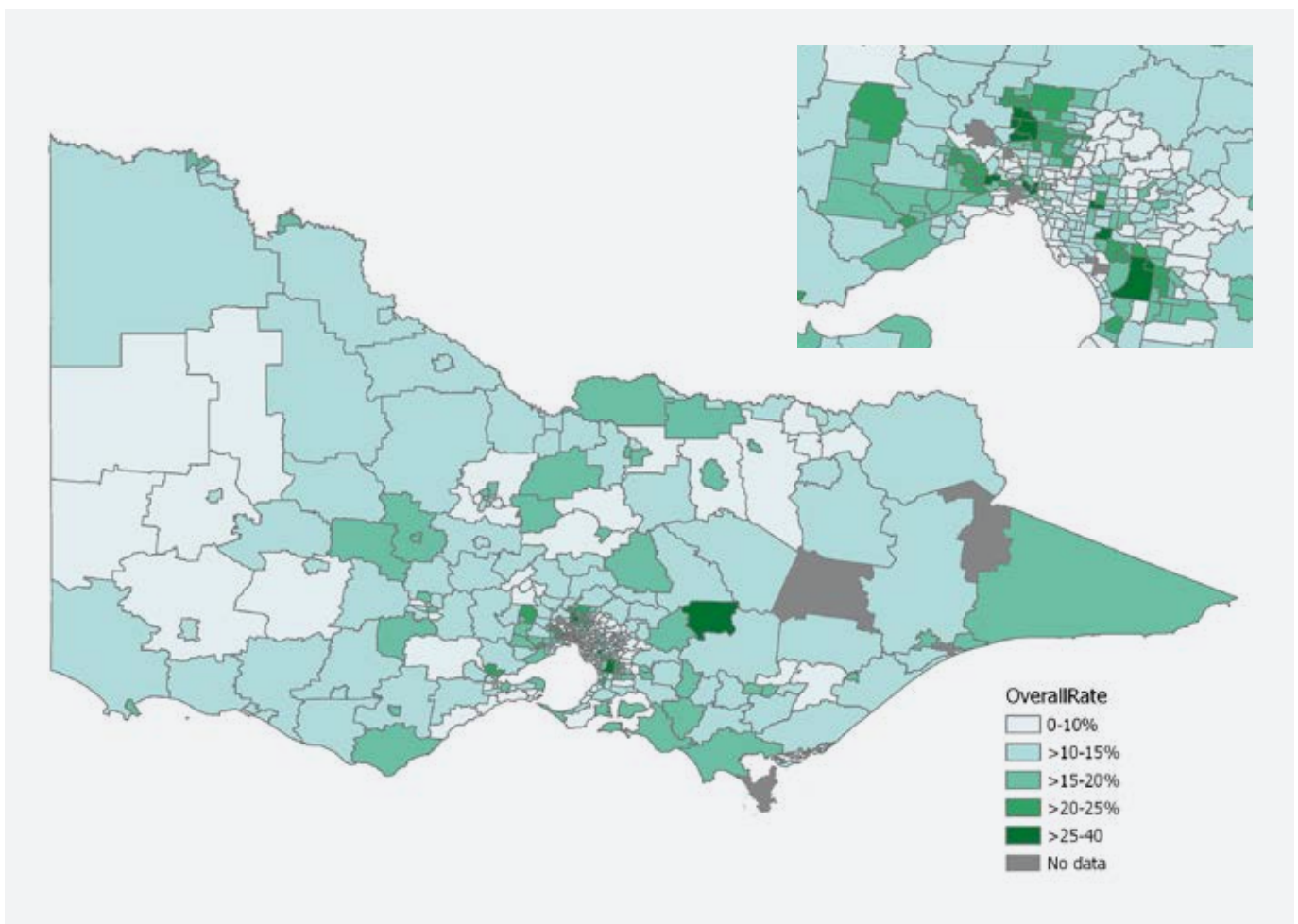
The clustering of areas of high and low poverty in and around Melbourne is likely due to urban SA2s tending to be both geographically smaller and having less socio-

economic diversity than regional SA2s. This spatial segregation by socioeconomic status serves to highlight concentrations of poverty.

As areas get larger, such as in regional areas, pockets of poverty can be hidden, due to poor households sharing the area with higher income households.

Figure 2

Spatial distribution of poverty rates for Victorian SA2s. Melbourne region shown in inset.



The composition of poverty

Poverty rates give a quick and simple view of the concentration of poverty in a particular place. But they do not tell the whole story. To understand how poverty affects communities, we need to understand who lives in poverty in different places.

The 'composition of poverty' refers to the proportion of all people living in poverty from different demographics. For example, an area may have a population of 1000 people, of which 100 are in poverty. This would mean the poverty rate in that area is 10%.

But to deepen our understanding, we want to know who lives in poverty. Of those 100 people in poverty, it may be that 55 are female and 45 are male. Therefore, the composition of poverty would be 55% female and 45% male.

We also estimate the number of people in poverty in each group. This is calculated by applying the proportion of people in poverty to the number of relevant people. This is people aged 15 and above for labour force status; gender; and disability; and all people (excluding those living in households with zero or negative incomes) for all other groups.

Estimates of the number and proportion of people in poverty in each group are shown in Table 2. This provides the composition of poverty across the whole of Victoria.

We then consider the composition of poverty for each characteristic we examined. We provide state-wide results, a comparison of Melbourne and regional Victoria, and a snapshot of the composition for different local areas, showing how diverse the composition can be at the local level.

Online maps, associated with this report, provide the ability to look at the composition of poverty for small areas across Victoria. These are available at povertymaps.vcoss.org.au.

In some areas, poverty may be concentrated among unemployed people or those living in public housing. In other areas, possibly with very high housing costs or very low wages, those employed full-time may comprise a large segment of people living in poverty.

> View data for every local area at povertymaps.vcoss.org.au

Table 2

Number and Proportion of people in poverty in each group¹

Demographic	Total Victoria		Greater Melbourne		Rest of Victoria	
	%	Count	%	Count	%	Count
Poverty (Count)	100	774,200	100	560,000	100	214,100
Male (over 15)	45.9	264,900	46.5	197,200	44.3	67,700
Female (over 15)	54.1	311,800	53.5	226,800	55.7	85,000
Total	100.0	576,700	100.0	424,000	100.0	152,700
Under 15	25.6	198,600	24.3	135,800	29.2	62,600
15-24	15.2	118,000	16.3	91,500	12.4	26,600
25-64	48.3	374,100	48.6	272,400	47.5	101,700
65+	10.8	83,600	10.8	60,300	10.8	23,200
Total	100.0	774,300	100.0	560,000	100.0	214,100
Couple only	18.7	144,400	19.6	109,500	16.3	34,900
Couple with dependent children	39.8	307,900	42.1	235,500	33.9	72,500
Lone parent	18.0	139,400	15.3	85,800	25.0	53,400
Lone person	15.4	119,300	14.8	83,000	16.9	36,100
Other household type	8.2	63,200	8.2	46,100	8.0	17,100
Total	100.0	774,200	100.0	559,900	100.0	214,000
Employed full-time[1]	12.1	70,000	11.3	47,800	14.5	22,200
Employed part-time	16.1	92,600	16.0	67,700	16.3	24,900
Unemployed	11.6	66,900	12.0	51,000	10.4	15,900
Aged 15-64 not in labour force	46.3	266,800	47.2	200,300	43.5	66,400
Aged 65+ and not in labour force	13.9	80,400	13.5	57,100	15.3	23,300
Total	100.0	576,700	100.0	423,900	100.0	152,700
Own home outright	18.0	139,100	15.5	86,600	24.6	52,600
Own home with mortgage	33.4	258,800	34.3	192,000	31.2	66,800
Private rental	28.7	222,200	30.4	170,000	24.4	52,200
Public rental	8.4	64,800	7.8	43,800	9.8	21,000
Other household tenure	11.5	89,200	12.1	67,600	10.1	21,500
Total	100.0	774,100	100.0	560,000	100.0	214,100
Disability (over 15)	34.3	197,600	31.7	134,500	41.4	63,200
No disability (over 15)	65.7	379,100	68.3	289,500	58.6	89,500
Total	100.0	576,700	100.0	424,000	100.0	152,700
Aboriginal	1.44	11,200	0.90	5,000	2.89	6,200
Non-Aboriginal	98.56	763,000	99.10	555,100	97.11	207,900
Total	100.00	774,200	100.00	560,100	100.00	214,100

¹ Numbers are to nearest 100. Rounding means that in some cases the Greater Melbourne and Rest of State totals won't add to the Victoria total. The total population is the population less households with negative and zero incomes, but including those with own source income. This is the same treatment as the ACOSS poverty numbers.

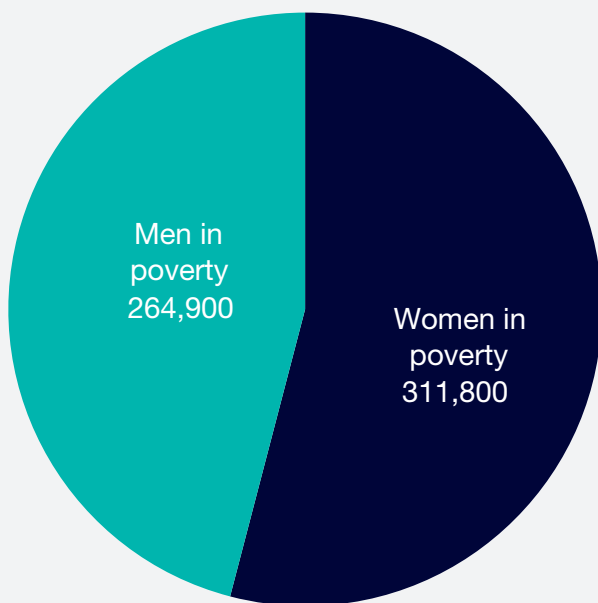


Gender and poverty

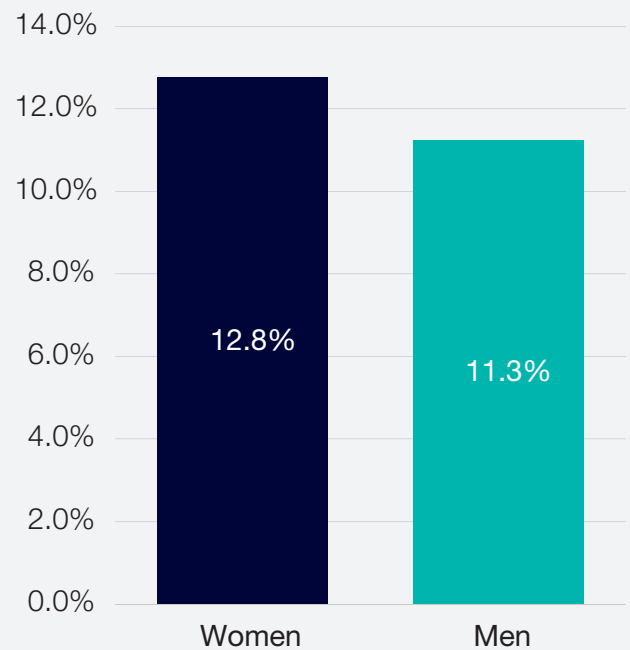
Women comprise a majority of people experiencing poverty in Victoria aged 15 and over. There are 311,800 women over age 15 living in poverty in Victoria, exceeding the 264,900 men.

This is not only because women outnumber men in the population, but because women are more likely to live in poverty than men. More than one in eight Victorian women experience poverty (12.8%), compared with just over one in nine men (11.3%).

Gender of Victorians in poverty
Number of Victorians experiencing poverty aged 15+, by gender



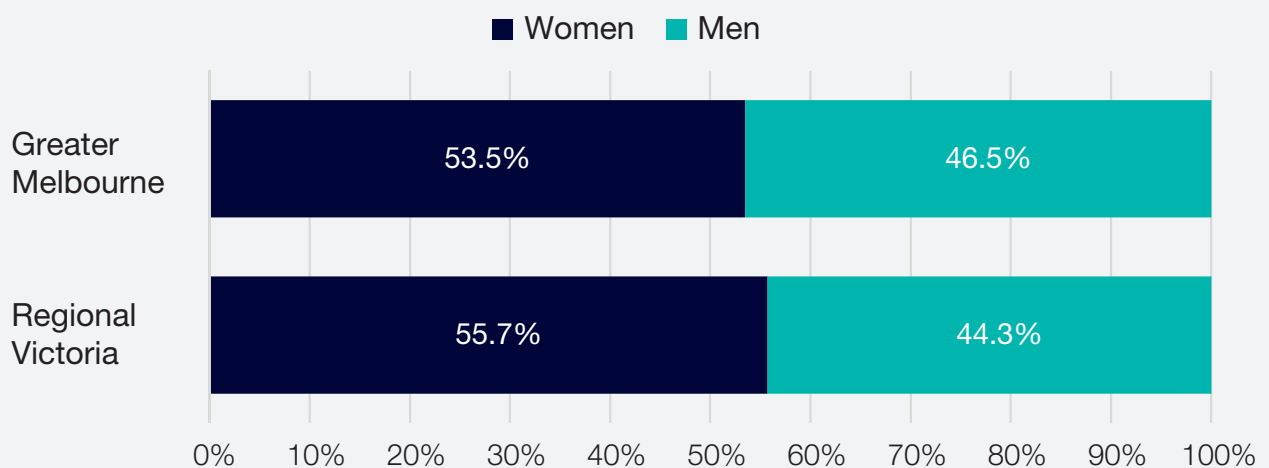
Victorian poverty rates by gender
Prevalence of poverty by gender of people aged 15+



Melbourne and regional Victoria

When we compare Melbourne with regional Victoria, we see the proportions of those in poverty are similar, with women slightly more heavily represented outside Melbourne.

Gender composition of poverty in Melbourne and Regional Victoria
Gender proportions of people experiencing poverty aged 15+





Gender and poverty at the community level

When we look more closely at the community level, the gender distribution can vary widely. In some areas, men form the majority of people living in poverty aged over 15. In other areas, women outnumber men by nearly two-to-one.

In the inner city suburb of Docklands, 55% of those living in poverty were men. Men experiencing poverty especially tended to outnumber women in some inner city areas of Melbourne.

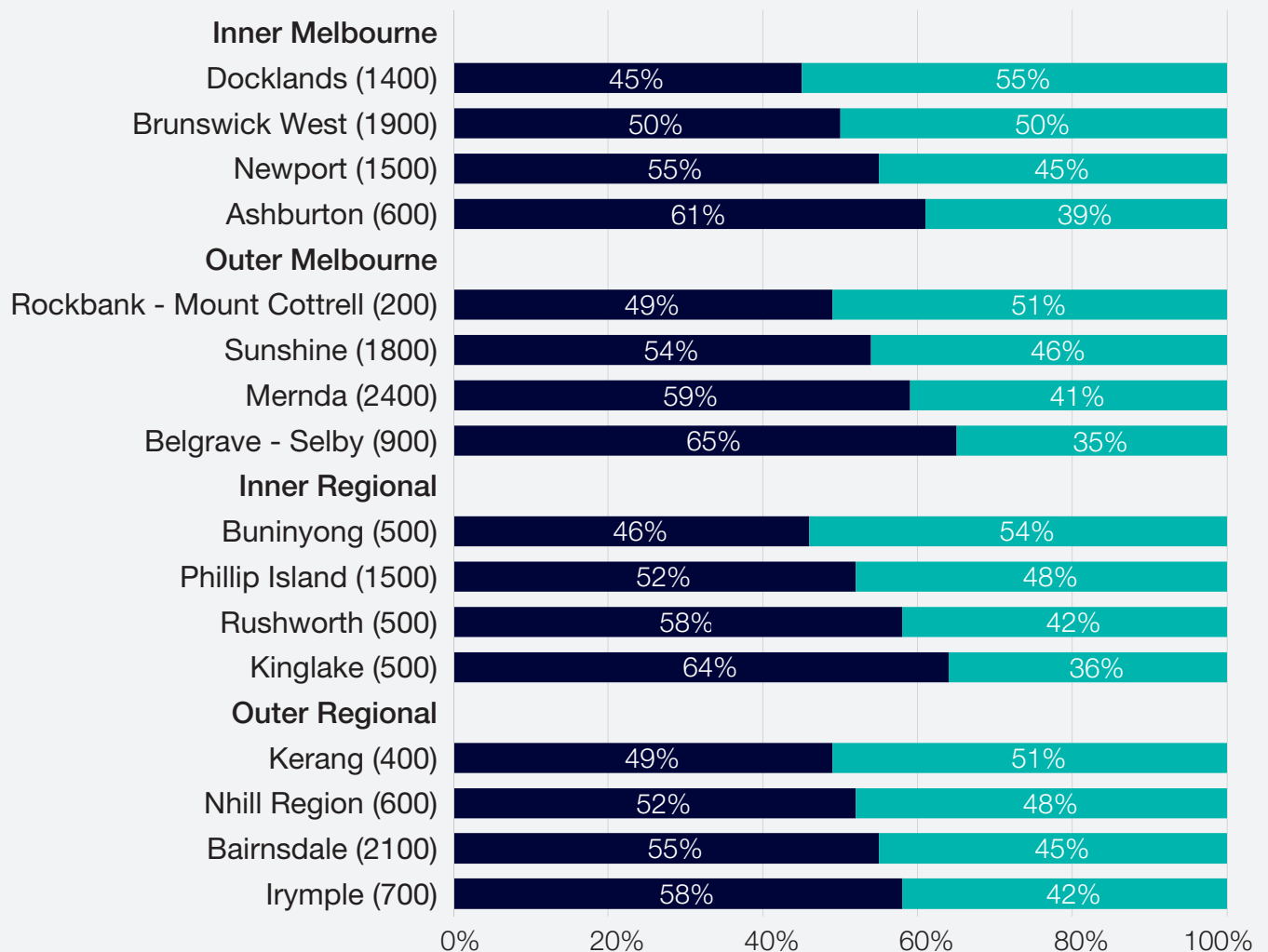
However, men also form the majority of people living in poverty in certain outer-suburban and regional areas, like in Rockbank and Mount Cottrell on the outskirts of Melbourne, Buninyong near Ballarat, or the rural town of Kerang in Northern Victoria.

In contrast, some areas have much higher proportions of women among those living in poverty. For instance, the eastern Melbourne suburb of Ashburton had more than 3 women living in poverty for every 2 men (61%).

Women tended to be more heavily represented among people living in poverty in areas with ageing populations, such as the outer eastern Melbourne suburbs of Belgrave and Selby (65%), or the rural town of Kinglake (64%).

Gender of people living in poverty in cross-section of areas
Proportion of people in poverty aged 15+ by gender (total number in brackets)

■ Women ■ Men



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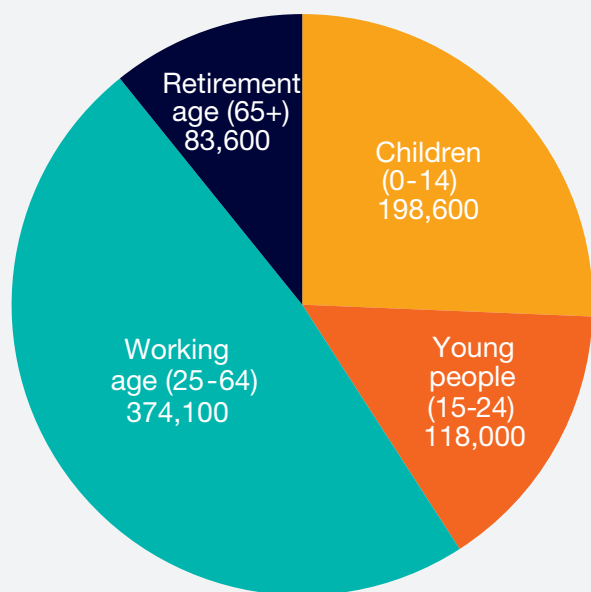


Age and poverty

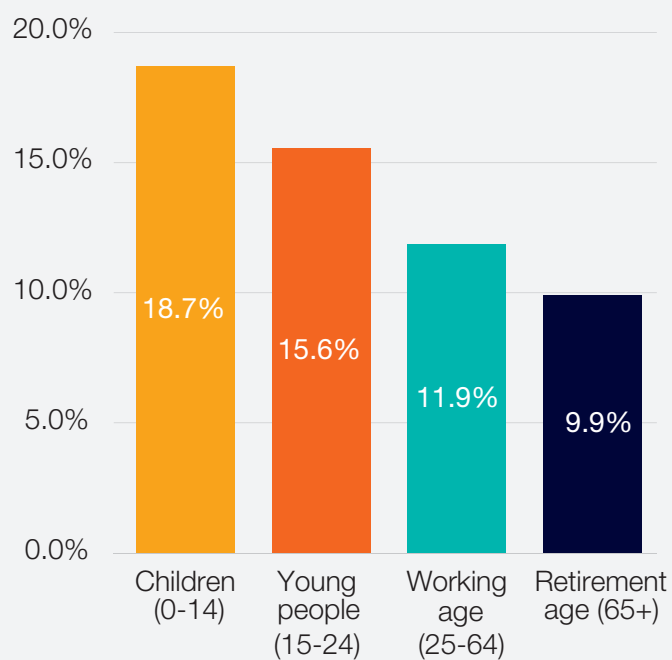
Children comprise more than one quarter of Victorians living in poverty, with 198,600 children under the age of 15 living in poverty.

Poverty rates in Victoria decline with age. More than 1 in 6 Victorian children live in poverty (18.7%), and more than 1 in 7 young people (15.6%). People aged over 65 have the lowest poverty rate, with fewer than 1 in 10 living in poverty (9.9%).

Age of Victorians in poverty
Number of Victorians in poverty by age group

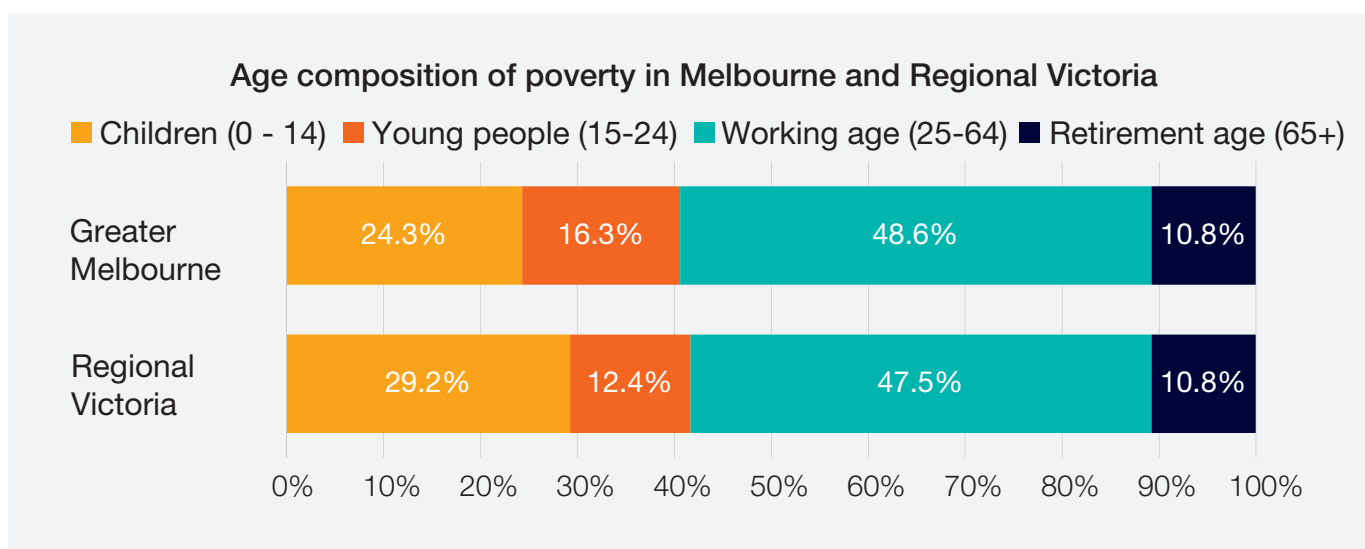


Victorian poverty rates by age group
Prevalence of poverty in each age group



Melbourne and regional Victoria

When we compare Greater Melbourne with the rest of Victoria, we see children comprise a larger share of the population living in poverty in Victoria's regions. In contrast, Melbourne has a higher proportion of young people among those living in poverty than regional Victoria.



Age and poverty at the community level

When we look more closely at the community level, the picture is even more diverse.

Some areas have very high proportions of children experiencing poverty, include some outer Melbourne suburbs like Burnside Heights, or rural towns like Romsey.

Young people can form a high proportion of people living in poverty near universities, such as in Melbourne's CBD, Clayton, or the Bendigo suburbs of Flora Hill and Spring Gully.

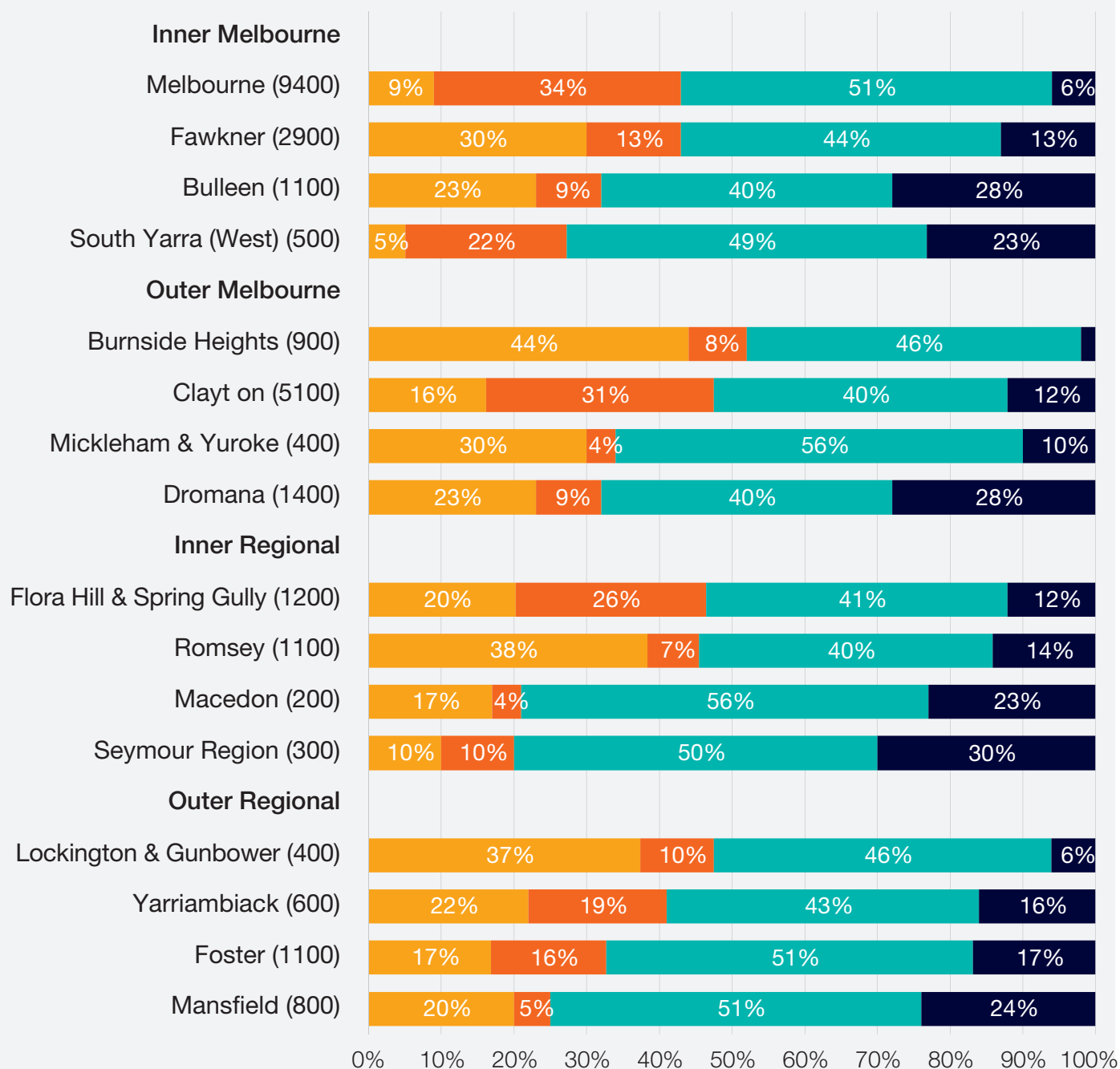
Some areas with significant numbers of older people, like Bulleen, Dromana, or the area surrounding Seymour, can have a high proportion of older people among the population living in poverty.

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Ages of people living in cross-section of areas

Proportion of people in poverty in each age group (total number in poverty in brackets)

■ Children (0 - 14) ■ Young people (15-24) ■ Working age (25-64) ■ Retirement age (65+)





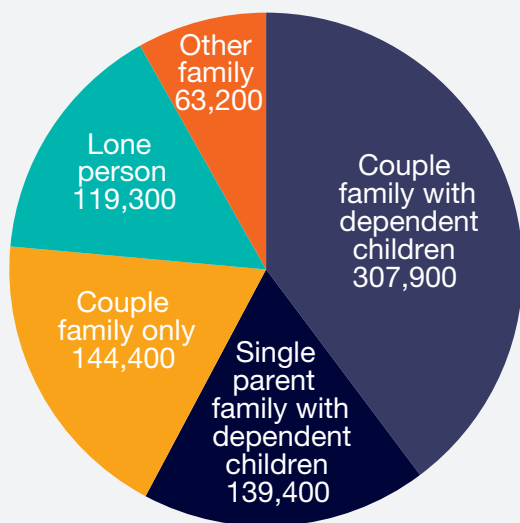
Families and poverty

The majority of Victorians experiencing poverty live in families with dependent children (57.8%).

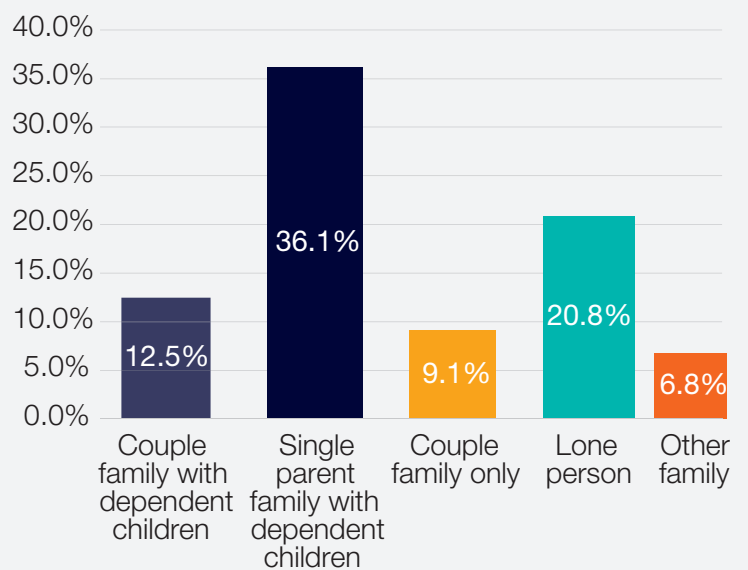
The most common family type is a couple family with dependent children, with 307,900 Victorians in poverty living in this type of family.

Families with children have higher poverty rates than those without children. Similarly, singles have higher poverty rates than couples.

Family arrangements of Victorians in poverty
Number of Victorians in poverty by family type



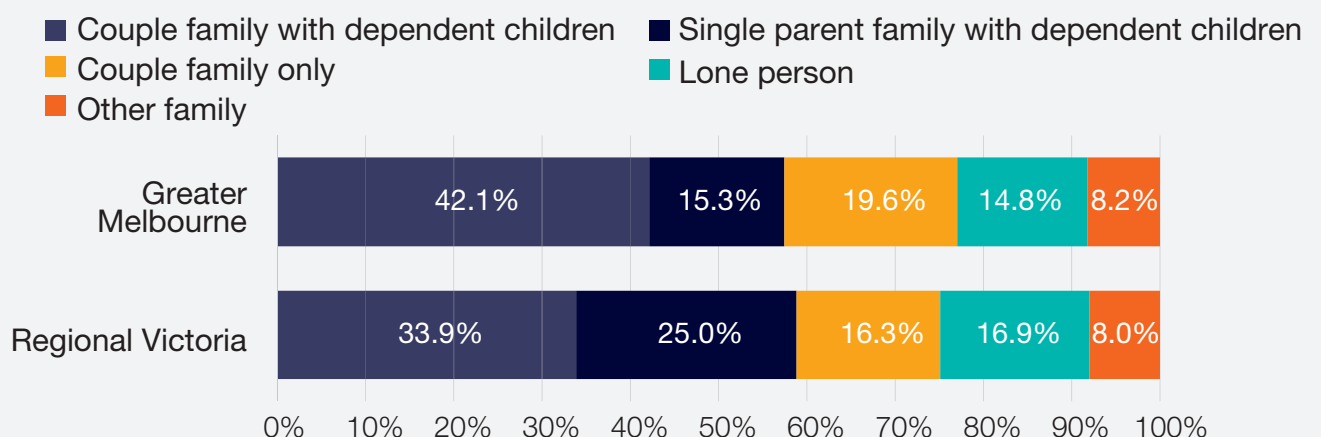
Victorian poverty rates by family arrangement
Prevalence of people living in poverty in each family type



Melbourne and regional Victoria

A comparatively higher proportion of people living in poverty in couple families with children live in Greater Melbourne (42.1%), compared to regional Victoria (33.9%). In contrast, regional Victoria has a higher proportion of people in poverty living in single parent families (25.0%) than in the city (15.3%).

Family composition of poverty in Melbourne and Regional Victoria





Families and poverty at the community level

Again, the pattern of family types can vary considerably in local communities.

The inner suburb of East Melbourne has a high proportion of its people living in poverty living in lone person households (46%), like a number of inner city suburbs.

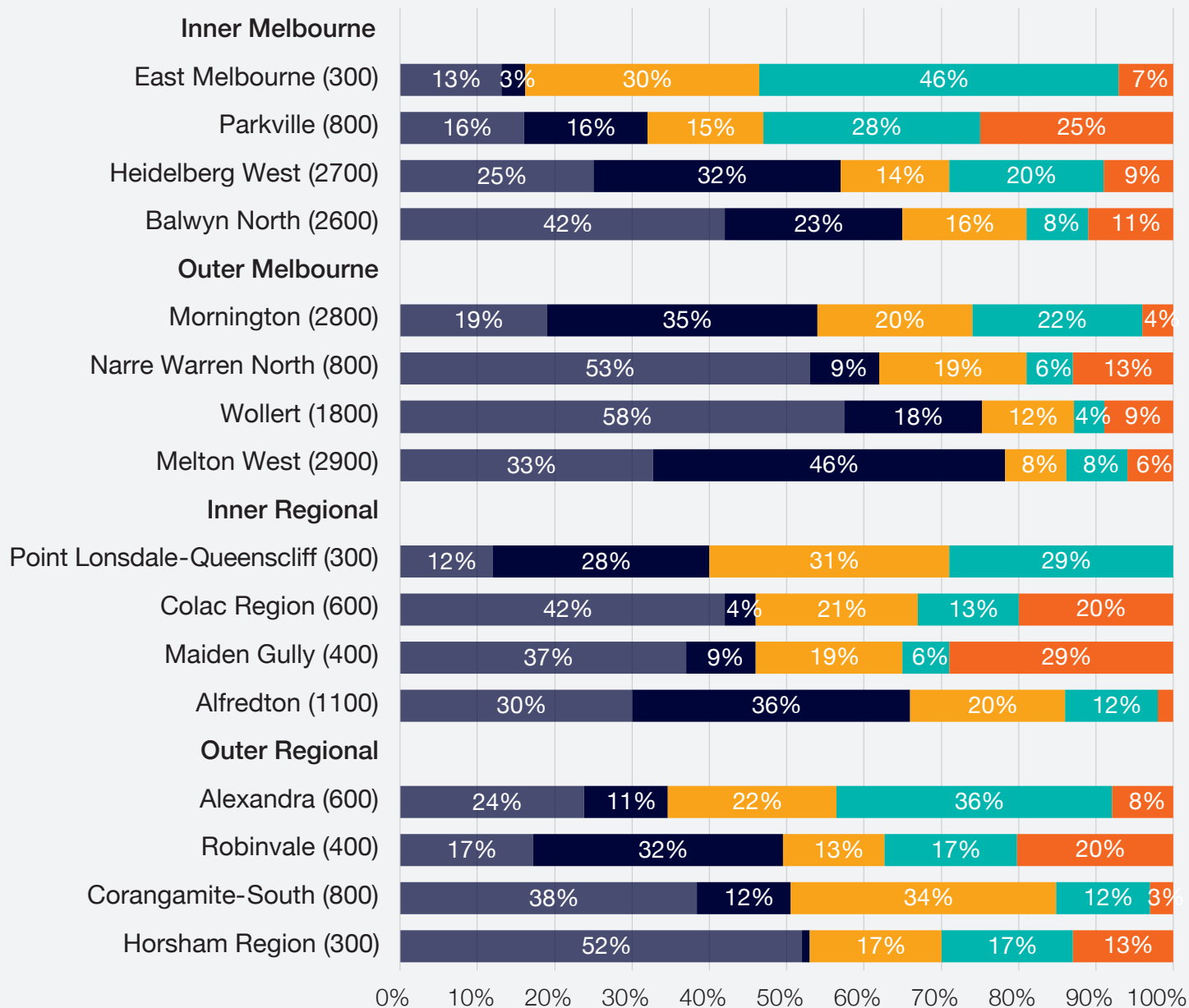
Some outer suburbs feature a majority of people living in poverty in couple families with children, like Narre Warren North (53%) or Wollert (58%).

Some areas have high proportions of people experiencing poverty in single parent families, like Melton West (46%), Mornington (35%), Alfredton (36%) or Robinvale (32%).

Family type of people living in cross-section of areas

Proportion of people in poverty living in each family type (total number in poverty in brackets)

- Couple family with dependent children ■ Single parent family with dependent children
- Couple family only ■ Lone person
- Other family





Employment and poverty

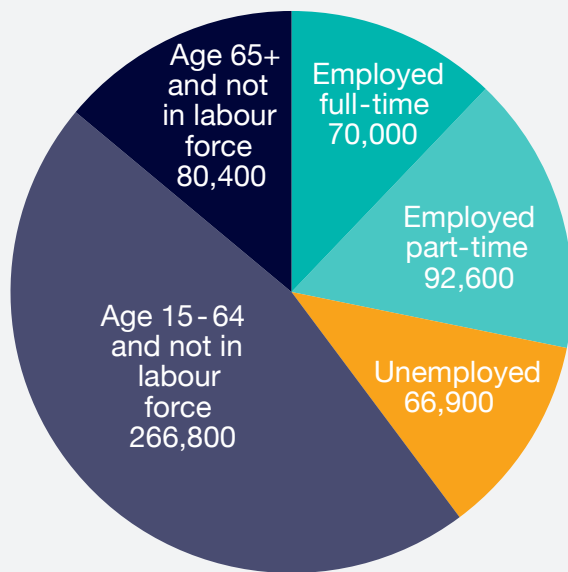
More than one quarter of people living in poverty have a job (28.2% of those aged over 15).

Fewer than one in eight are unemployed (11.6%), meaning they are not working but actively looking for work. There are more working people living in poverty (162,600) than unemployed people (66,900).

Those aged 15 to 64 and not in the labour force represented the greatest proportion of those in poverty. This group includes people who aren't working because they have a disability or chronic health condition, are caring for children or people with disability, are studying, or have become discouraged from looking for work.

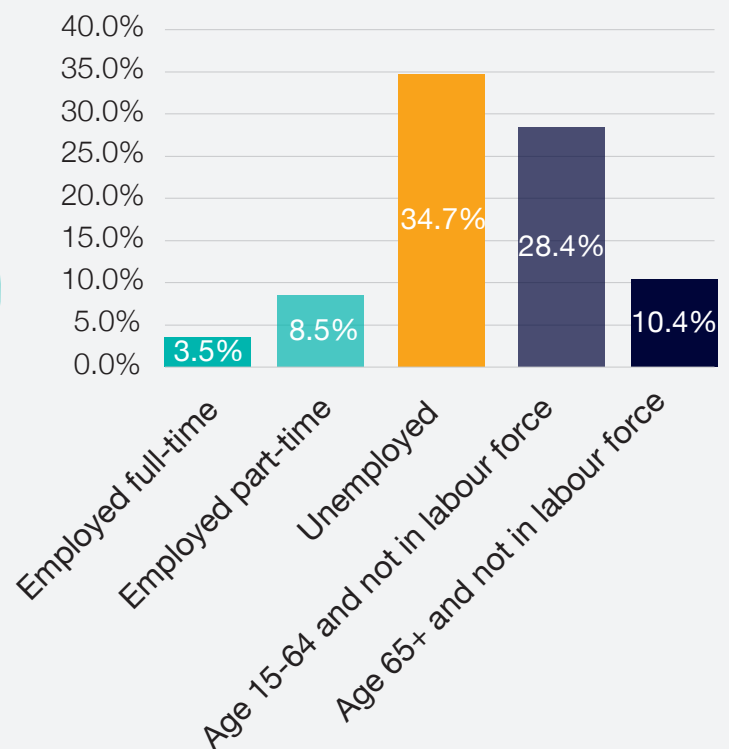
Employment status of Victorians in poverty

Number of Victorians in poverty aged 15+ by employment status



Victorian poverty rates by employment status

Prevalence of poverty by each employment status of adults aged 15+

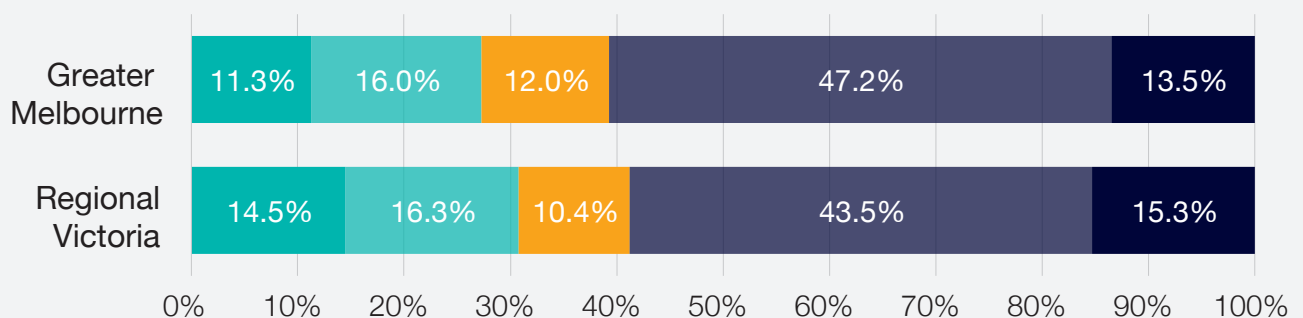


Melbourne and regional Victoria

Regional Victoria has a slightly higher proportion of people living in poverty despite working full-time (14.5%) than Greater Melbourne (11.3%).

Employment status of poverty in Melbourne and Regional Victoria

■ Employed full-time
 ■ Employed part-time
 ■ Unemployed
 ■ Age 15-64 and not in labour force
 ■ Age 65+ and not in labour force





Employment and poverty at the community level

In some areas more than 2 in 5 people living in poverty are working, such as the north-eastern suburbs of Research and North Warrandyte (42%), or the region surrounding the city of Mildura (44%).

In other areas more than 1 in 5 are unemployed, like the Melbourne suburb of Malvern East (25%), or the Southern Grampians in Victoria's west (24%).

Many areas have significant proportions of older people having left the workforce in poverty, like Beaumaris (25%), Chiltern and the Indigo Valley (32%) and the West Wimmera (30%).

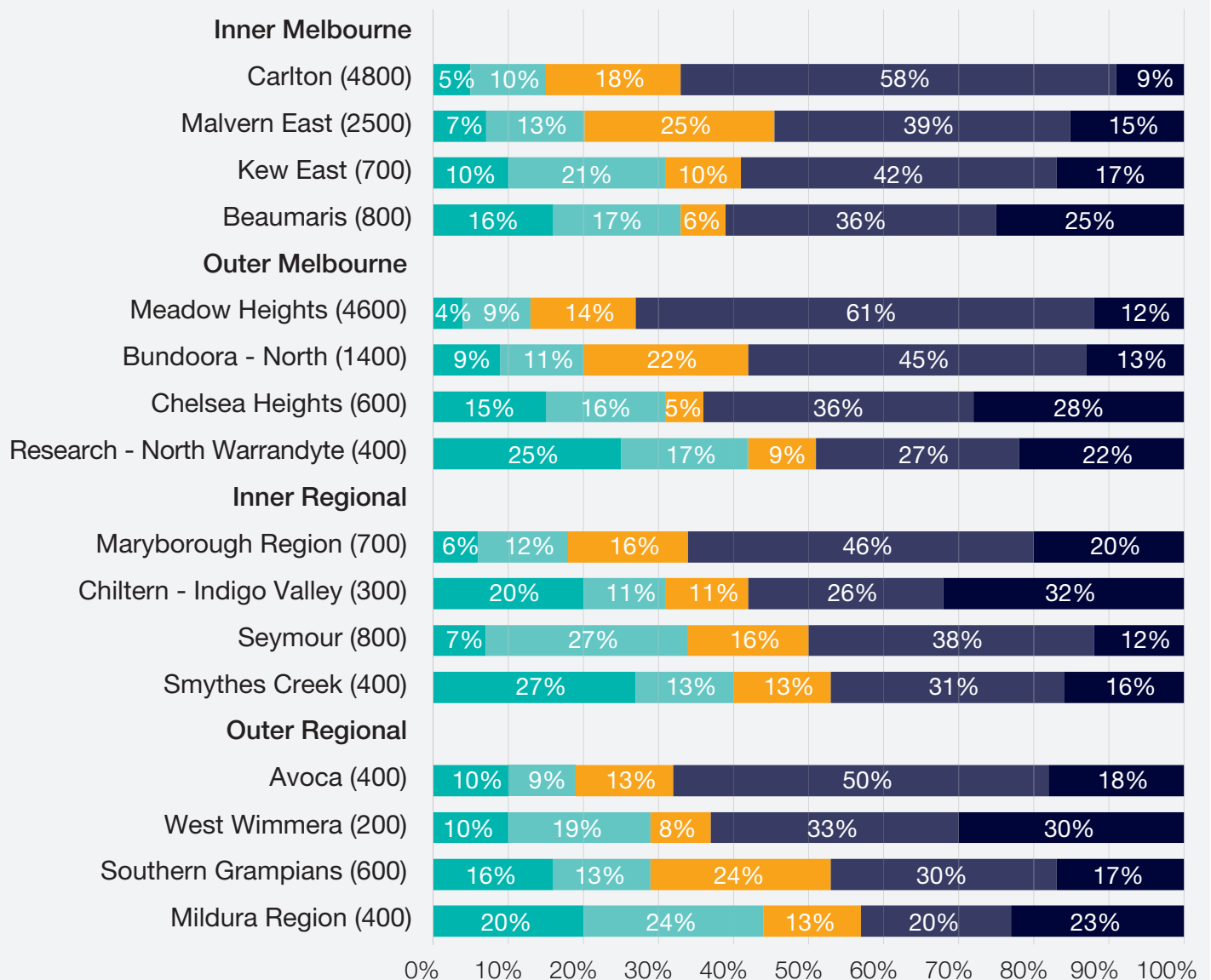
In some areas the majority of people living in poverty are under 65 but not in the labour force, like Carlton (58%) or Meadow Heights (61%).

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Employment status of people living in cross-section of areas

Proportion of adults aged 15+ in poverty by employment status
(total number in poverty in brackets)

■ Employed full-time ■ Employed part-time ■ Unemployed
■ Age 15-64 and not in labour force ■ Age 65+ and not in labour force



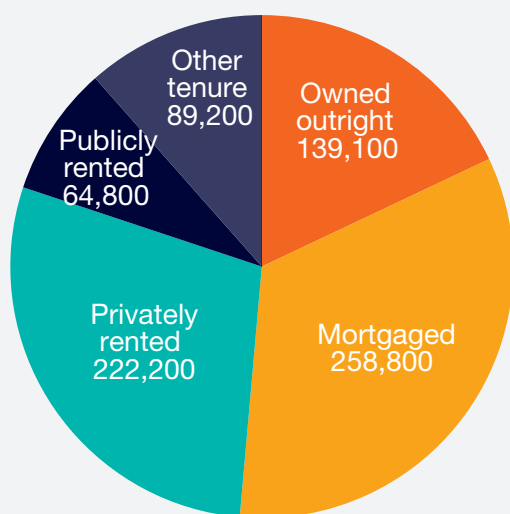


Housing and poverty

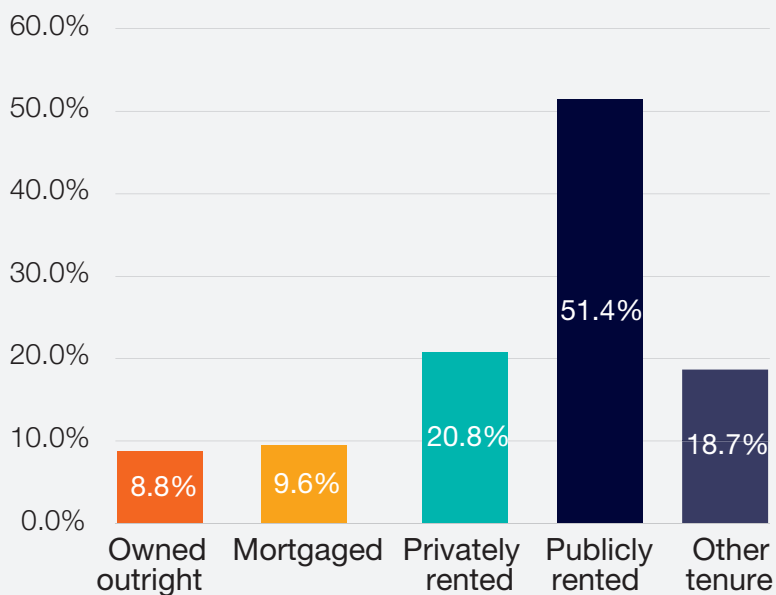
The majority of Victorians experiencing poverty live in owner-occupied homes (51.4%). More than a quarter of a million people experiencing poverty live in mortgaged homes, representing the most common housing tenure (33.4%).

This is closely followed by people living in privately rented homes (28.7%). While people living in public housing have the highest poverty rate of any group discussed in this report, they account for less than 1 in 10 people experiencing poverty, due to the small numbers public housing properties.

Housing of Victorians in poverty
Number of Victorians in poverty by housing tenure



Victorian poverty rates by housing tenure
Prevalence of poverty for each housing tenure

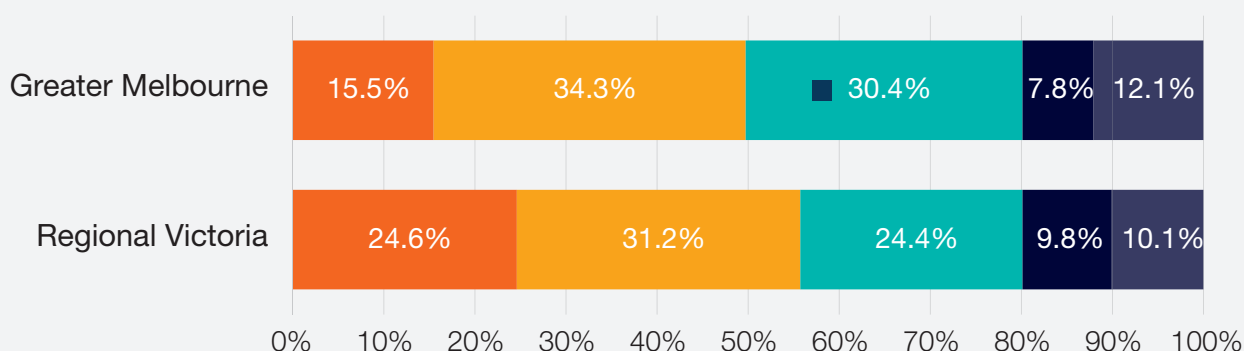


Melbourne and regional Victoria

Regional Victoria has a higher proportion of people experiencing poverty living in homes owned outright (24.6%). Greater Melbourne has a higher proportion of people experiencing poverty in privately rented homes (30.4%).

Housing composition of poverty in Melbourne and Regional Victoria

Owned outright Mortgaged Privately rented Publicly rented Other tenure





Housing and poverty at the community level

Housing shows a very clear pattern across local areas: broadly, the further from the centre of Melbourne, the higher the proportion people living in owner-occupied homes.

The contrast between areas can be striking. For instance, in Southbank the majority of people experiencing poverty live in privately rented homes (60%), but a few kilometres north in Collingwood, the majority live in public housing (50%).

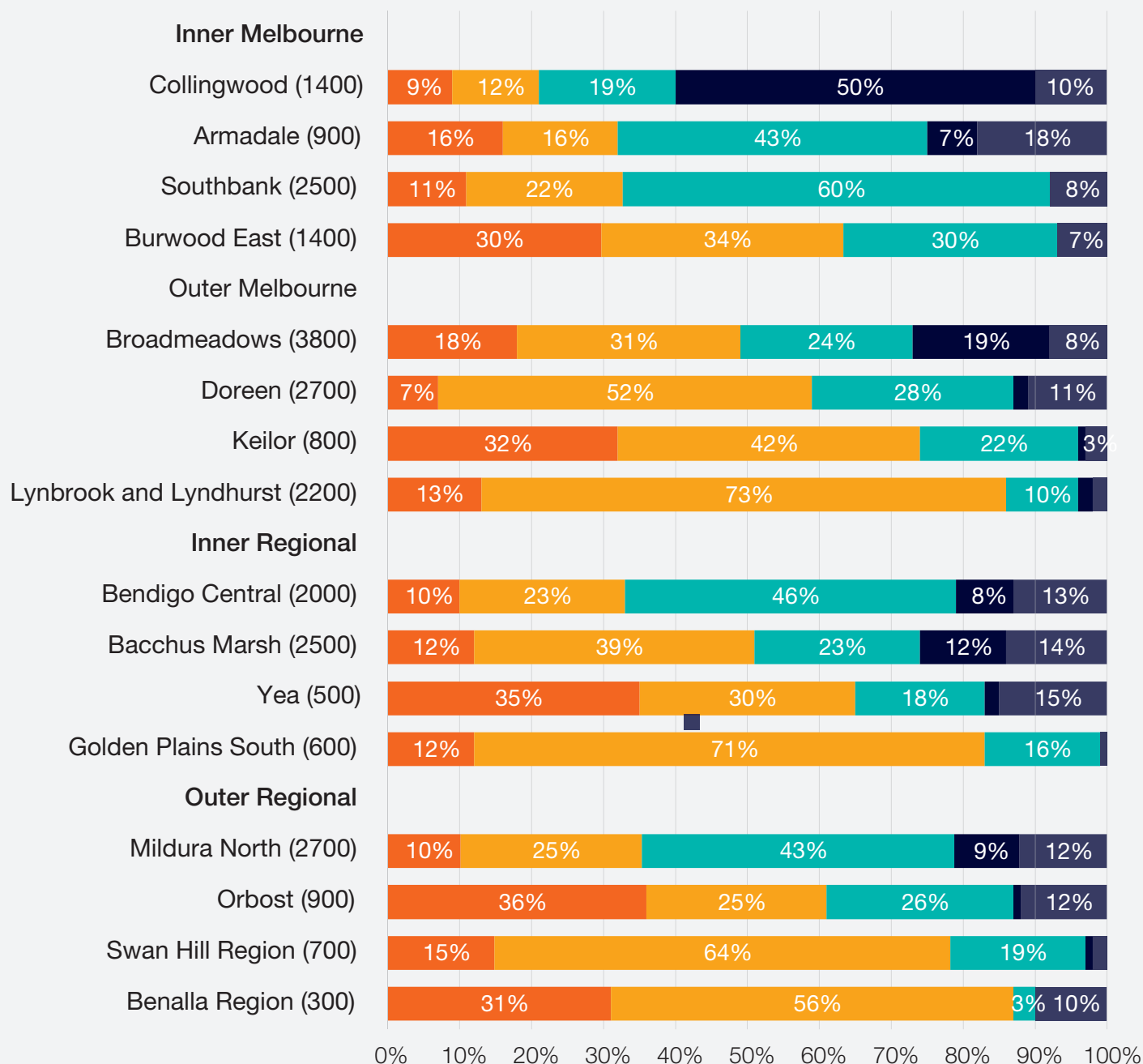
Some outer suburbs and regional towns show high proportions of mortgagees among the population in poverty, comprising a majority in suburbs like Lynbrook and Lyndhurst (73%), the southern part of Golden Plains shire (71%), or the rural villages surrounding Swan Hill (64%). Some areas have significant proportions of people living in poverty who own their homes outright, like Burwood East (30%), Keilor (32%), Yea (35%) or Orbost (36%).

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Housing tenure of people living in cross-section of areas

Proportion of people in poverty in each housing tenure (total number in poverty in brackets)

Owned outright Mortgaged Privately rented Publicly rented Other tenure





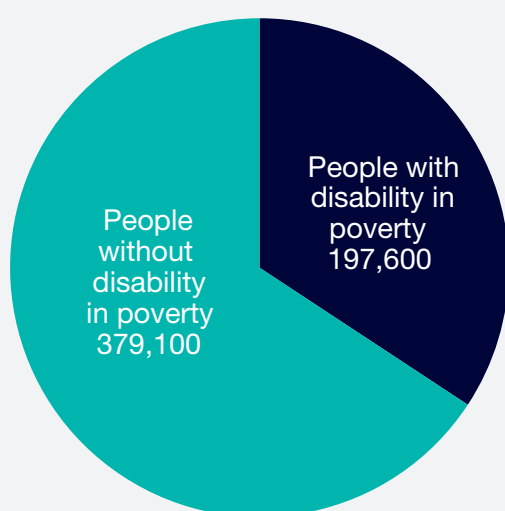
Disability and poverty

More than one third of Victorians experiencing poverty also live with disability (aged over 15). This means nearly 200,000 Victorians with disability live in poverty. People with disability are also more likely to live in poverty than those without disability.

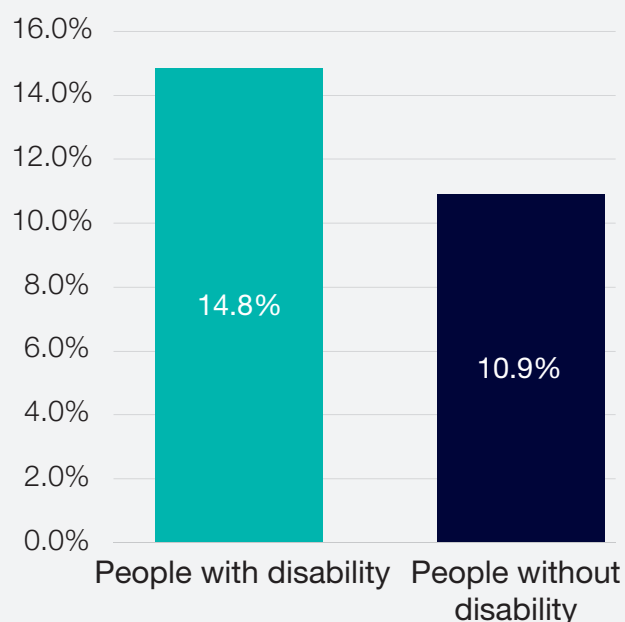
Melbourne and regional Victoria

Regional Victoria has a substantially higher proportion of its people experiencing poverty who have a disability, compared with Greater Melbourne.

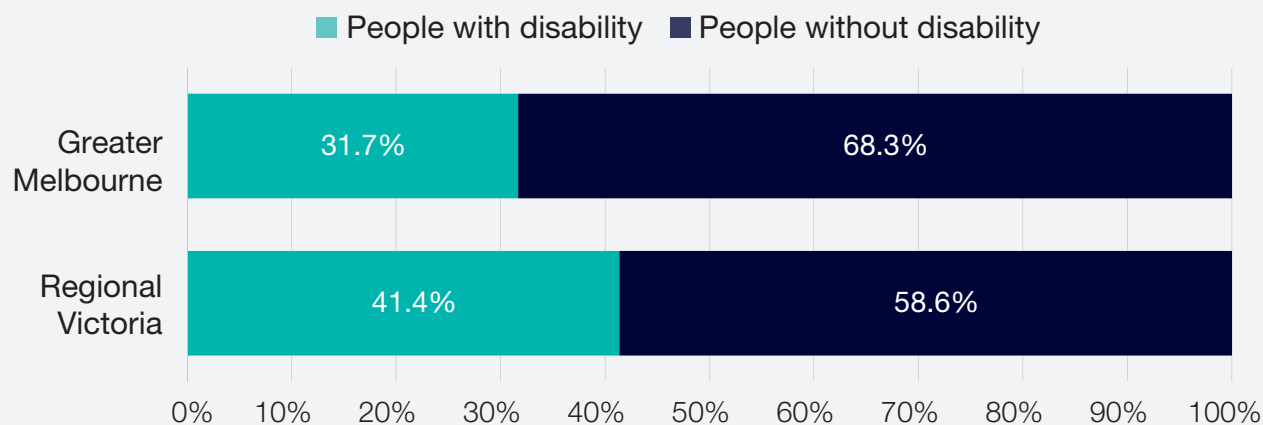
Victorians with disability experiencing poverty
Number of Victorians in poverty by disability status, aged 15+



Victorian poverty rates by disability status
Prevalence of poverty by disability status of people aged 15+



Disability composition of poverty in Melbourne and Regional Victoria
Proportions of people experiencing poverty with and without disability, aged 15+



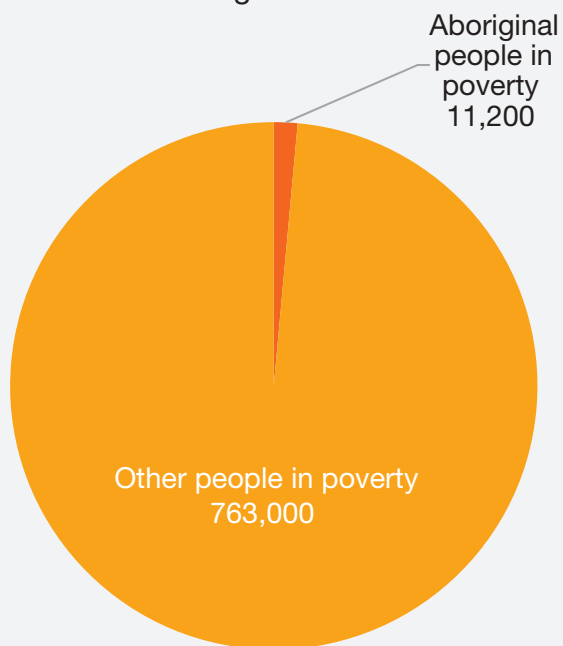


Aboriginal Victorians and poverty

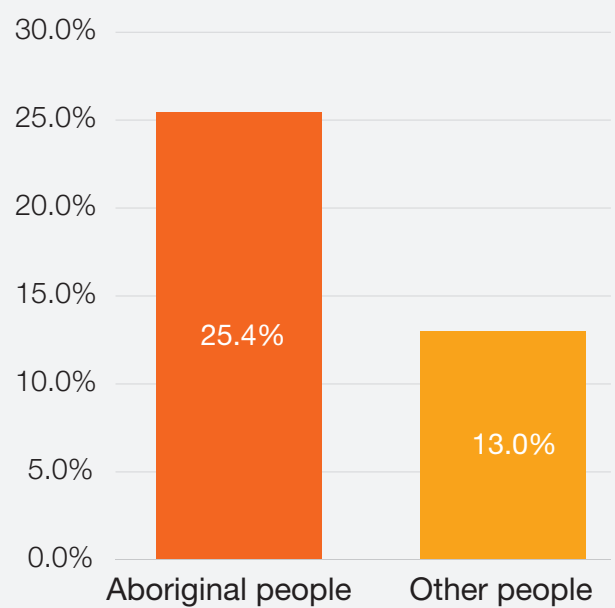
Aboriginal Victorians experience poverty at nearly twice the rate as other Victorians. It is estimated 11,200 Aboriginal Victorians live in poverty.

Regional Victoria has a substantially higher proportion of its people experiencing poverty from an Aboriginal background. In fact, more Aboriginal people live in poverty in regional Victoria (6,200) than in Melbourne (5,000).

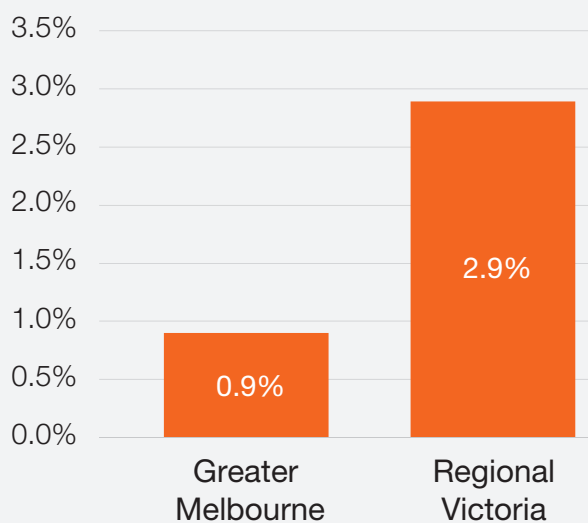
Aboriginal Victorians in poverty
Number of Victorians in poverty by
Aboriginal status



**Victorian poverty rates by
Aboriginal status**
Prevalence of poverty by people
Aboriginal status



**Proportion of people in poverty
who are Aboriginal**
Melbourne and Regional Victoria



Discussion

For the first time in Victoria, this analysis has looked at poverty rates not only by small area, but by small area and demographic group. This allows governments, community planners and local service providers to know who they are servicing in a local area.

Different groups will need different services – a high proportion of renters in poverty in an area may indicate a high need for housing assistance; but a high proportion of unemployed in poverty in an area may signal a need for better employment programs. The online maps provided allows service providers to see precisely who lives in poverty in local communities.

Across Victoria, women are more likely to experience poverty than men, and women account for a majority of adults (over 15) living in poverty.

However, the difference was not large, with women's poverty rates only a few percentage points higher than men's. There are local differences in the gender composition of poverty, with men predominating in some areas, especially around inner Melbourne.

Together, children, young people, and older people over the age of 65 account for a slight majority of Victorians living in poverty, outnumbering those of prime working age (25-64). The age composition of poverty can vary widely in local communities, often reflecting local demographics.

For instance, the outer suburbs of Melbourne tend to have a high proportion of children, retirement communities tend to have a higher proportion of older people, and suburbs near tertiary education institutions often have higher prevalence of young people among their impoverished populations.

Many people living in poverty lived in couple or single parent families. Over half of people experiencing poverty live in families with children.

As with age, the prevalence of family types often reflects local community demographics, for instance, with high proportions of people experiencing poverty living in families with dependent children in the outer suburbs of Melbourne.

Around a quarter of people living in poverty (aged over 15) had a job, with nearly half of these working full-time. Around 1 in 8 people living in poverty (aged over 15) are unemployed.

However, the majority of people living in poverty are not in the labour force, with people of retirement age (over 65) only accounting for about a quarter of these. There is a very large group of people living in poverty who are under the age of 65, and are neither working nor unemployed.

These people may be studying, caring for children, or caring for relatives with disabilities or who are ageing. Again, there was significant local divergence in employment patterns, with some areas featuring higher proportions of people working among people living in poverty, while others had higher levels of unemployment, or being outside the labour force.

We find a majority of the people living in poverty have a mortgage or are renting in the private market. Both these tenures are fairly risky for people in poverty. An increase in interest rates could push those with a mortgage out of their homes. Rent increases could adversely affect areas with a large proportion of renters.

While public housing tenants have high rates of poverty, they only represent a small proportion of Victoria's impoverished population. Less than 10% of people living in poverty are in public housing.

More than 1 in 3 people living in poverty have a disability. People with a disability are more likely to live in poverty than other Victorians. People with a disability are particularly prevalent among the impoverished population in regional Victoria, representing 41.4% of those living in poverty.

Looking at our statistics, a common picture of poverty is a family with children and with at least one person in the household not in the labour force, and renting or paying a mortgage.

While this picture has been built up looking at each dimension, we can calculate that 23% of people living in poverty fit this profile. This large group lives a precarious existence – they subsist on one low wage or income support, have high housing costs, and care for children at the same time.

For governments, community planners and service providers, a major implication is many of those in poverty have a mortgage or are paying rent. This has implications when interest rates or rents start rising, as poverty will likely grow as more families fall below the after-housing poverty line.

This analysis allows us, for the first time, to understand how the demographics of poverty changes depending on the local area.

Poverty looks different in different places, and we cannot adopt a one-size-fits-all approach to tackling poverty. Because the people experiencing poverty are different, reducing poverty lends itself to place-based approaches, which meet the needs of the local experience of poverty, and examine and solve the particular issues contributing to poverty in different places.

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Conclusions

Poverty directly or indirectly affects every Victorian. For people living in poverty the effects are immediate and obvious, and managing them will likely occupy a substantial proportion of their time. For those not living in poverty the effects may be less apparent, but it nevertheless affects the society in which they live.

Children born into poverty face extra challenges to reaching their full potential. Children growing up in poverty have worse health outcomes (Spencer, 2018), do worse at school (Hair, Hanson, Wolfe, & Pollak, 2015), and have lower incomes as adults (Duncan, Ziol-Guest, & Kalil, 2010).

This imposes a cost on society. Poorer health means more health spending, poorer educational outcomes mean fewer employment opportunities, and lower incomes mean lower consumer spending and a weaker economy. High poverty rates entrench continued poverty in the next generation.

Some people are disproportionately exposed to poverty. This unmasking inequality in our society, and begs important questions about the kind of society we want, such as:

Is it fair that Aboriginal Victorians are twice as likely to live in poverty as others?

Should children experience poverty more than any other age group?

How well is our jobs market working when more than a quarter of people living in poverty have a job?

Why do some places have far higher poverty levels than others?

Answering these questions helps guide us toward solutions to create a fairer, more equal Victoria. By aiming for a Victoria without poverty, we can help every Victorian reach their potential.

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Appendix

Data by local government area

Local Government area	Number of people living in poverty (rounded to nearest 100)	Poverty rate	Women ⁶	Older people (aged 65+) ⁷	People with disability ⁶	People with jobs (full-time or part-time) ⁷	People living in owner-occupied housing (outright or with a mortgage) ⁷	People living in families with dependent children ⁷
Alpine	1,300	13%	53%	16%	49%	34%	60%	43%
Ararat	1,100	12%	56%	14%	46%	33%	60%	35%
Ballarat	12,400	14%	51%	12%	44%	30%	45%	39%
Banyule	12,600	11%	58%	17%	31%	24%	51%	49%
Bass Coast	4,900	17%	54%	17%	47%	26%	50%	56%
Baw Baw	6,000	14%	52%	15%	43%	27%	57%	47%
Bayside	7,500	9%	57%	21%	31%	26%	49%	42%
Benalla	1,700	14%	54%	17%	46%	27%	50%	42%
Boroondara	16,800	11%	55%	15%	25%	26%	48%	54%
Brimbank	34,100	20%	57%	12%	28%	20%	62%	75%
Buloke	700	15%	57%	15%	38%	30%	68%	52%
Campaspe	4,300	14%	54%	14%	42%	31%	58%	42%
Cardinia	12,300	14%	59%	10%	26%	29%	61%	61%
Casey	44,500	16%	58%	9%	25%	27%	69%	66%
Central Goldfields	1,900	17%	55%	16%	47%	21%	53%	52%
Colac-Otway	2,700	15%	53%	14%	46%	32%	58%	44%
Corangamite	1,900	14%	51%	15%	41%	34%	66%	41%
Darebin	20,000	15%	54%	18%	31%	21%	44%	58%
East Gippsland	5,900	16%	54%	16%	47%	27%	54%	52%
Frankston	18,000	15%	57%	13%	30%	23%	46%	57%
Gannawarra	1,200	14%	50%	17%	45%	30%	63%	53%
Glen Eira	15,900	12%	54%	18%	26%	26%	46%	55%
Glenelg	2,400	14%	54%	13%	43%	28%	55%	43%
Golden Plains	2,300	12%	56%	14%	38%	34%	80%	46%
Greater Bendigo	13,600	14%	52%	13%	43%	29%	47%	42%

Local Government area	Number of people living in poverty (rounded to nearest 100)	Poverty rate	Women ⁶	Older people (aged 65+) ⁷	People with disability ⁶	People with jobs (full-time or part-time) ⁷	People living in owner-occupied housing (outright or with a mortgage) ⁷	People living in families with dependent children ⁷
Greater Dandenong	30,000	21%	55%	12%	29%	18%	58%	79%
Greater Geelong	28,400	14%	53%	15%	46%	26%	46%	48%
Greater Shepparton	7,800	15%	54%	13%	43%	27%	53%	43%
Hepburn	1,800	14%	56%	17%	46%	26%	60%	52%
Hindmarsh	500	10%	52%	14%	42%	31%	80%	32%
Hobsons Bay	10,400	13%	56%	17%	32%	21%	53%	53%
Horsham	2,400	14%	52%	13%	45%	32%	52%	40%
Hume	38,500	22%	58%	9%	27%	20%	66%	78%
Indigo	1,500	11%	52%	20%	45%	29%	65%	37%
Kingston	16,700	12%	56%	19%	31%	27%	56%	51%
Knox	17,200	12%	57%	14%	29%	28%	63%	52%
Latrobe	9,400	15%	53%	12%	42%	24%	47%	42%
Loddon	800	14%	54%	18%	48%	24%	79%	39%
Macedon Ranges	4,500	11%	55%	15%	34%	29%	62%	48%
Manningham	14,300	14%	57%	19%	28%	26%	66%	63%
Mansfield	800	11%	51%	24%	46%	30%	63%	31%
Maribyrnong	12,000	17%	53%	14%	31%	20%	40%	59%
Maroondah	12,000	12%	57%	16%	29%	26%	55%	50%
Melbourne	25,100	25%	48%	10%	21%	16%	25%	102%
Melton	20,300	17%	59%	7%	25%	26%	65%	68%
Mildura	7,400	16%	54%	13%	45%	27%	48%	48%
Mitchell	4,900	14%	55%	11%	36%	29%	59%	54%
Moir	3,600	15%	52%	17%	44%	29%	60%	46%
Monash	26,600	16%	55%	17%	26%	22%	55%	66%
Moonee Valley	12,800	12%	55%	19%	33%	22%	45%	52%
Moorabool	3,700	13%	56%	13%	36%	25%	58%	53%
Moreland	21,800	15%	52%	17%	28%	22%	47%	59%
Mornington Peninsula	18,000	13%	58%	20%	34%	24%	54%	57%
Mount Alexander	2,200	14%	56%	18%	45%	24%	57%	41%
Moyne	1,800	13%	51%	17%	43%	30%	63%	44%
Murrindindi	1,700	15%	56%	16%	44%	30%	66%	59%
Nillumbik	4,700	8%	61%	13%	28%	38%	74%	46%

Local government area	Number of people living in poverty (rounded to nearest 100)	Poverty rate	Women ⁶	Older people (aged 65+) ⁷	People with disability ⁶	People with jobs (full-time or part-time) ⁷	People living in owner-occupied housing (outright or with a mortgage) ⁷	People living in families with dependent children ⁷
Northern Grampians	1,300	14%	53%	16%	46%	27%	58%	42%
Port Phillip	10,000	12%	51%	20%	34%	25%	26%	53%
Pyrenees	900	15%	56%	14%	51%	24%	70%	50%
Queenscliffe	200	10%	61%	20%	40%	26%	47%	54%
South Gippsland	3,600	15%	53%	16%	44%	28%	62%	46%
Southern Grampians	1,600	12%	51%	14%	41%	32%	57%	34%
Stonnington	10,800	12%	52%	20%	28%	24%	31%	59%
Strathbogie	1,100	13%	54%	18%	45%	26%	62%	40%
Surf Coast	2,700	10%	52%	15%	43%	32%	56%	46%
Swan Hill	2,400	14%	55%	13%	43%	31%	53%	45%
Towong	600	12%	56%	13%	43%	28%	57%	47%
Wangaratta	3,400	14%	52%	13%	43%	32%	54%	43%
Warrnambool	4,000	14%	53%	13%	43%	32%	43%	42%
Wellington	5,100	14%	55%	13%	44%	27%	56%	47%
West Wimmera	300	8%	54%	20%	55%	30%	76%	21%
Whitehorse	21,000	14%	55%	17%	27%	23%	54%	57%
Whittlesea	31,300	17%	57%	11%	26%	25%	63%	68%
Wodonga	4,700	14%	55%	12%	46%	28%	42%	41%
Wyndham	32,600	17%	58%	7%	23%	25%	62%	68%
Yarra	9,900	13%	53%	18%	37%	21%	25%	61%
Yarra Ranges	16,300	12%	58%	13%	29%	31%	68%	55%
Yarriambiack	600	11%	57%	16%	40%	34%	74%	33%

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⁶ As a proportion of people living in poverty aged 15+
⁷ As a proportion of all people living in poverty

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