

POVERTY IN RURAL & REMOTE AUSTRALIA

...good health and wellbeing in rural and remote Australia

Poverty and deprivation are among the adverse social and economic determinants of health experienced by people who live in rural and remote areas.

In Australia today, all the population groups at higher risk of poverty are present in greater proportion in rural and remote parts of the country. People living in rural and remote Australia have lower incomes and net household worth in comparison to those living in metropolitan areas. Aboriginal and Torres Strait Islander people, of whom around 65 per cent live outside the major cities, are disproportionately affected by poverty.



Defining and measuring poverty

Poverty is a relative concept. The word is used to describe the situation where people in a particular society cannot afford the essentials that most people in that society take for granted. While many Australians juggle the payment of bills, people categorised as living in poverty regularly have to make difficult choices – such as skipping a meal to pay for a child’s textbook.

In Australia and elsewhere, poverty is measured using ‘poverty lines’, which specify a particular income judged to be the minimum for family groups of particular sizes to have command over a basket of necessary goods and services. Families with less than the specified level are in ‘income poverty’.

Based on the OECD poverty line of 50 per cent of median income, and after taking account of housing costs, in 2014 some 2.99 million people in Australia (13.3 per cent of the total population), including 731,000 children (17.7 per cent), lived in households with an income below the poverty line. In 2014, this equated to an income of less than \$426 per week for a single adult and less than \$895 per week for a couple with children¹.

Poverty in rural Australia

People living in rural and remote Australia experience higher rates of poverty than those who live in metropolitan areas.

In 2015-16, the equivalised² disposable³ household income outside Australia’s capital cities was, on average 18 per cent less (\$880 versus \$1,072 in capital cities), while net household worth was, on average 29 per cent lower (\$737,000 versus \$1,033,000). People living outside capital cities were more likely than those in capital cities to be in the lowest household income quintile (25 percent versus 18 per cent).⁴

Aboriginal and Torres Strait Islander people, of whom around 65 per cent live outside the major cities, are disproportionately affected by poverty. Median real equivalised gross weekly household income for Indigenous people was \$465 in 2012-13, compared with \$869 for non-Indigenous people.⁵

Table 1. Mean income and wealth in Australia (2015-16)

	In capital cities	Outside of capital cities	Percentage difference
Disposable household income	\$1,072	\$880	18%
Net household worth	\$1,033,000	\$737,000	29%

Source: <http://www.abs.gov.au/AUSSTATS/abs@nsf/DetailsPage/6523.02015-16?OpenDocument>

The 100 Local Government Areas (LGAs) with the lowest median household incomes are almost exclusively remote or rural/regional. Similarly, the 100 LGAs with the greatest proportion of people earning less than \$500 per week are also almost exclusively remote or rural/regional, with 76 per cent of people earning less than \$500 per week in the poorest of these.⁶

While the cost of housing in regional and remote areas tends to be lower than in major cities, other costs are higher. The costs of food and petrol, for example, increase with remoteness, so that in very remote areas they are respectively about 15–20 per cent and 10 per cent more expensive than in major cities. In some states, energy costs are also higher in regional areas than metropolitan areas.

Poverty and inequality

While poverty is a measure of how much income or wealth one has, inequality is a measure of how wealth or income is distributed.

Globally, both poverty and inequality are recognised as having a harmful impact on human health and wellbeing, as well as to sustainable development and economic growth. As such, Goal 10 of the United Nations 2030 Agenda for Sustainable Development is devoted to reducing inequalities in income as well as those based on sex, age, disability, race, class, ethnicity, religion and opportunity – both within and among countries.⁷

In Australia, both income and wealth inequality are rising with wealthier households benefitting disproportionately from economic growth. Between 2004 – 2014, incomes for the wealthiest 20 per cent of households grew by more than 40 per cent, while income for the poorest 20 per cent of households only grew by about 25 per cent.⁸

The relationship between poverty, inequality and health

Apart from creating difficult life choices for people, poverty, along with its related social determinants of health (the conditions in which people are born, grow, live, work and age) has a profound effect on human health and wellbeing. Inequality is also correlated with poor health and has been linked to obesity, violence, mental illness and suicide.⁹

Social determinants are estimated to be responsible for around 40 per cent of the expression of burden of disease, with risk factors often influenced by social determinants responsible for another estimated 30 per cent.¹⁰

People living in poverty commonly suffer greater levels of physical and mental illness. The high stress associated with living in poverty can also contribute to behaviour which increases health risks, such as smoking and poor diet.

Additionally, people living in rural and remote Australia are more likely to face barriers to accessing healthcare. The cost of healthcare (including associated travel and accommodation) also increases with increasing remoteness.

The combination of lower incomes and higher pressures on those incomes often means that people in rural and remote areas are more likely to skip or delay visits, treatments, tests and medications because of cost. This, in turn, can result in poorer health outcomes.

Table 2. People who reported healthcare cost access barriers (2015-16)

	Major cities	Inner regional	Rural, remote, very remote
Delayed or did not see a GP due to cost	3.8%	5.1%	5%
Delayed or did not see a dentist due to cost	17.7%	23%	21.9%
Delayed or did not visit hospital due to cost	2%	2.5%	2.6%

Note: Refers to people aged 15 years or older.

Source: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4839.02015-16?OpenDocument>

References and notes

- <http://www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf>
- Definition of equivalised income (calculated as the household income divided by the sum of factors reflecting the size and composition of the household).
- Definition of disposable (Gross income minus personal income tax, Medicare levy and Medicare levy surcharge)
- <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6523.02015-16?OpenDocument>
- <https://www.pc.gov.au/research/ongoing/overcoming-indigenous-disadvantage/2014/key-indicators-2014-overviewbooklet.pdf>
- <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1410.02011-16?OpenDocument>
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