



## Poverty rates by electorate

Based on a definition of poverty that is described below, 9.3 per cent of all Australians are living in poverty. The poverty rate varies widely between electorates, from 2.1 per cent in Bradfield (NSW) to 15.1 per cent in Braddon (Tas).

The poverty rate estimates in this Research Note have been derived from *experimental* estimates of poverty by postal area, compiled by the National Centre for Social and Economic Modelling (NATSEM). While the estimates are the most accurate available at this stage, they should be regarded as indicative only.

### Methodology and Definitions

NATSEM has produced estimates of poverty at a detailed regional level<sup>1</sup> by combining postcode information from the 1996 Census with income and demographic information from the 1998-99 Household Expenditure Survey (HES). Income data from the HES were then adjusted from 1998–99 to 2001 values, allowing NATSEM to estimate poverty rates for all postal areas in Australia for the year 2001. These estimates at the postal area level were then aggregated to electoral divisions by the Parliamentary Library for the purpose of this Research Note.

As there is no universally accepted measure of poverty,<sup>2</sup> NATSEM has adopted a relative poverty definition in which persons are defined to be in poverty if they are living below some community standard. Here the standard is set at half the average disposable income for a household type, consisting of a couple with two children, with incomes adjusted using an equivalence scale<sup>3</sup> to determine comparable poverty lines for other types of households. If a household's disposable income is below the poverty line then all the members of that household are deemed to be in poverty.

The process of adjusting incomes using an equivalence scale is a method of taking into account the different size and composition of households and the fact that there are economies

Table 1. Estimated poverty rates by state in 2001

State	Number in poverty			Poverty rates (% of population in poverty)		
	Adults	Children	Persons	Adults	Children	Persons
New South Wales	367,156	159,928	527,084	8.3	10.0	8.7
Victoria	278,475	121,199	399,674	8.6	10.4	9.1
Queensland	231,547	102,292	333,839	9.3	11.3	9.9
South Australia	111,106	43,710	154,816	10.6	12.5	11.1
Western Australia	110,451	48,620	159,071	8.7	10.1	9.1
Tasmania	39,363	16,418	55,781	12.2	14.1	12.7
Northern Territory	10,168	6,584	16,752	7.8	11.7	9.0
ACT	13,220	5,394	18,614	6.4	6.7	6.5
<b>Total Australia</b>	<b>1,161,486</b>	<b>504,145</b>	<b>1,665,631</b>	<b>8.8</b>	<b>10.6</b>	<b>9.3</b>

Source : Derived from data supplied by NATSEM.

of scale in household consumption. It involves setting the income level which defines the poverty line for various types of households so that each yields the same level of economic wellbeing as the poverty line set for the benchmark household type. NATSEM has used the detailed Henderson equivalence scale to equalise incomes for these estimates.

### Results

On the above definition, 9.3 per cent of all Australians are living in poverty. The state with the highest poverty rate is Tasmania (12.7 per cent) followed by South Australia and Queensland with 11.1 and 9.9 per cent of their respective populations in poverty. The ACT has the lowest poverty rate of 6.5 per cent. (See Table 1.)

In all states, there are proportionately more children than adults living in poverty. In other words, households deemed to be in poverty tend to have more children living in them than adults. The difference is particularly marked in the Northern Territory where 7.8 per cent of adults but 11.7 per cent of children are in poverty.

Not surprisingly, electorates with the lowest poverty rates are all to be found in a cluster to the north of Sydney Harbour. These are Bradfield, North Sydney, Mackellar and Warringah, all with poverty rates of less than 4 per cent. The highest poverty rate is in Braddon in Tasmania where 15.1 per cent of the population is in poverty.

The average poverty rate rises from 7.6 per cent for inner metropolitan electorates, to 8.2 per cent for outer metropolitan electorates, 10.2 per cent for provincial electorates and 11.7 per cent for rural electorates.

1. See R. Lloyd and A. Harding (2004), 'Getting down to small areas: estimating regional income and wealth in Australia using spatial microsimulation', paper presented to Regional Science Association International - British and Irish Section Conference, Cork, Ireland, 18–20 August.
2. See P. Saunders and P. Whiteford, *Measuring Poverty: A Review of the Issues*, Discussion Paper 89/11, Economic Planning Advisory Council, Canberra, October 1989.
3. For a discussion of equivalence scales see H. Greenwell, R. Lloyd and A. Harding, *An Introduction to Poverty Measurement Issues*, Discussion Paper No. 55, NATSEM, December 2001, pp. 26–32.

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**Table 2. Electoral Divisions Ranked by Poverty Rates<sup>(a)</sup>, 2001**

Rank	Electoral Division	Party	Number in poverty	Poverty rate	Rank	Electoral Division	Party	Number in poverty	Poverty rate
1	Bradfield (NSW)	LIB	2527	2.1	76	Charlton (NSW)	ALP	10583	9.5
2	North Sydney (NSW)	LIB	3976	3.2	77	McEwen (Vic)	LIB	11721	9.5
3	Mackellar (NSW)	LIB	4199	3.6	78	Maribyrnong (Vic)	ALP	12131	9.6
4	Warringah (NSW)	LIB	4455	3.7	79	Hunter (NSW)	ALP	11425	9.7
5	Mitchell (NSW)	LIB	4331	3.9	80	Canning (WA)	LIB	10107	9.7
6	Kooyong (Vic)	LIB	4530	3.9	81	Watson (NSW)	ALP	12510	9.8
7	Cook (NSW)	LIB	4442	4.0	82	Scullin (Vic)	ALP	11675	9.9
8	Berowra (NSW)	LIB	5388	4.5	83	Fadden (Qld)	LIB	10875	9.9
9	Wentworth (NSW)	LIB	5692	4.6	84	Mayo (SA)	LIB	11199	9.9
10	Goldstein (Vic)	LIB	5517	4.6	85	Lalor (Vic)	ALP	12449	9.9
11	Higgins (Vic)	LIB	5887	5.0	86	Batman (Vic)	ALP	12064	9.9
12	Hughes (NSW)	LIB	6071	5.0	87	Newcastle (NSW)	ALP	11704	10.0
13	Ryan (Qld)	LIB	6230	5.4	88	Paterson (NSW)	LIB	11074	10.0
14	Menzies (Vic)	LIB	6387	5.5	89	Kennedy (Qld)	IND	15124	10.2
15	Bennelong (NSW)	LIB	6861	5.7	90	Groom (Qld)	LIB	11446	10.2
16	Curtin (WA)	LIB	6605	5.9	91	Hindmarsh (SA)	ALP	12771	10.2
17	Canberra (ACT)	ALP	8713	6.0	92	Blaxland (NSW)	ALP	13006	10.2
18	Chisholm (Vic)	ALP	7457	6.3	93	Riverina (NSW)	NP	12480	10.2
19	Aston (Vic)	LIB	7640	6.4	94	Wills (Vic)	ALP	13407	10.2
20	Barton (NSW)	ALP	7804	6.4	95	Fowler (NSW)	ALP	14743	10.3
21	Deakin (Vic)	LIB	7463	6.5	96	Hume (NSW)	LIB	11775	10.3
22	Lindsay (NSW)	LIB	7781	6.5	97	Chifley (NSW)	ALP	14968	10.5
23	Jagajaga (Vic)	ALP	8152	6.6	98	Denison (TAS)	ALP	9063	10.5
24	Brisbane (Qld)	ALP	7279	6.8	99	Lingiari (NT)	ALP	10641	10.5
25	Banks (NSW)	ALP	8010	6.9	100	Fisher (Qld)	LIB	11373	10.5
26	La Trobe (Vic)	LIB	8078	6.9	101	Calwell (Vic)	ALP	13196	10.5
27	Fraser (ACT)	ALP	9901	7.0	102	Rankin (Qld)	ALP	15191	10.5
28	Lowe (NSW)	ALP	8546	7.0	103	Shortland (NSW)	ALP	12176	10.5
29	Casey (Vic)	LIB	8194	7.1	104	Forde (Qld)	LIB	12576	10.7
30	Holt (Vic)	ALP	8673	7.1	105	Melbourne (Vic)	ALP	13554	10.7
31	Greenway (NSW)	LIB	9228	7.1	106	Flinders (Vic)	LIB	11585	10.8
32	Tangney (WA)	LIB	8844	7.2	107	Gorton (Vic)	ALP	11935	10.8
33	Solomon (NT)	CLP	6111	7.2	108	Pearce (WA)	LIB	11880	10.9
34	Kingsford Smith (NSW)	ALP	9338	7.2	109	Reid (NSW)	ALP	13850	11.0
35	Moore (WA)	LIB	7964	7.2	110	Brand (WA)	ALP	12250	11.0
36	Parramatta (NSW)	ALP	9751	7.2	111	Throsby (NSW)	ALP	13119	11.0
37	Macquarie (NSW)	LIB	8834	7.3	112	Gilmore (NSW)	LIB	11990	11.1
38	Melbourne Ports (Vic)	ALP	8858	7.3	113	Indi (Vic)	LIB	12349	11.1
39	Dickson (Qld)	LIB	8238	7.4	114	Gellibrand (Vic)	ALP	14225	11.1
40	Lilley (Qld)	ALP	9106	7.4	115	Oxley (Qld)	ALP	14318	11.1
41	Bonner (Qld)	LIB	8731	7.6	116	Dawson (Qld)	NP	14684	11.2
42	Macarthur (NSW)	LIB	9443	7.7	117	Fairfax (Qld)	LIB	12861	11.2
43	Prospect (NSW)	ALP	10556	7.8	118	Kingston (SA)	LIB	14459	11.3
44	Griffith (Qld)	ALP	9120	7.8	119	Calare (NSW)	IND	13212	11.3
45	Bruce (Vic)	ALP	10085	7.9	120	Blair (Qld)	LIB	14109	11.3
46	Isaacs (Vic)	ALP	9987	8.0	121	Murray (Vic)	LIB	13257	11.5
47	Moreton (Qld)	LIB	9424	8.0	122	Franklin (TAS)	ALP	10270	11.5
48	Kalgoorlie (WA)	LIB	12419	8.0	123	Wannon (Vic)	LIB	13346	11.5
49	Robertson (NSW)	LIB	9327	8.1	124	Bass (TAS)	LIB	10146	11.6
50	Sturt (SA)	LIB	10180	8.1	125	McMillan (Vic)	LIB	11893	11.7
51	Hotham (Vic)	ALP	10007	8.2	126	Farrer (NSW)	LIB	13667	11.7
52	Boothby (SA)	LIB	9965	8.2	127	Longman (Qld)	LIB	13504	11.7
53	Sydney (NSW)	ALP	10692	8.5	128	Barker (SA)	LIB	16603	12.2
54	Grayndler (NSW)	ALP	10781	8.5	129	Ballarat (Vic)	ALP	14168	12.3
55	Hasluck (WA)	LIB	10428	8.5	130	Gippsland (Vic)	NP	15086	12.5
56	Bowman (Qld)	LIB	9830	8.6	131	Capricornia (Qld)	ALP	16563	12.6
57	Cunningham (NSW)	ALP	9566	8.6	132	Eden-Monaro (NSW)	LIB	14771	12.6
58	Leichhardt (Qld)	LIB	12382	8.6	133	Richmond (NSW)	ALP	14902	13.0
59	Cowan (WA)	ALP	10326	8.7	134	Maranoa (Qld)	NP	15891	13.0
60	Moncrieff (Qld)	LIB	11294	8.7	135	Hinkler (Qld)	NP	16917	13.0
61	Petrie (Qld)	LIB	9506	8.8	136	O'Connor (WA)	LIB	15423	13.1
62	Werriwa (NSW)	ALP	10701	9.0	137	Lyne (NSW)	NP	15619	13.2
63	Stirling (WA)	LIB	10745	9.0	138	Parkes (NSW)	NP	15412	13.3
64	Forrest (WA)	LIB	10600	9.1	139	Bendigo (Vic)	ALP	15458	13.3
65	Corangamite (Vic)	LIB	9963	9.1	140	Page (NSW)	NP	15983	13.4
66	Fremantle (WA)	ALP	10239	9.1	141	Port Adelaide (SA)	ALP	18283	13.5
67	Dobell (NSW)	LIB	10447	9.2	142	Wakefield (SA)	LIB	18017	13.8
68	Herbert (Qld)	LIB	10802	9.2	143	Wide Bay (Qld)	NP	16510	13.8
69	Dunkley (Vic)	LIB	11395	9.3	144	New England (NSW)	IND	15713	13.8
70	Makin (SA)	LIB	11826	9.3	145	Mallee (Vic)	NP	16961	13.9
71	Perth (WA)	ALP	10637	9.3	146	Gwydir (NSW)	NP	17322	14.2
72	Swan (WA)	ALP	10604	9.4	147	Cowper (NSW)	NP	16333	14.3
73	Adelaide (SA)	ALP	11469	9.4	148	Grey (SA)	LIB	20044	14.6
74	Corio (Vic)	ALP	10941	9.5	149	Lyons (TAS)	ALP	12642	14.9
75	McPherson (Qld)	LIB	9955	9.5	150	Braddon (TAS)	LIB	13660	15.1

(a) Per cent of total population in each electorate who are living in poverty

Source: Derived from poverty data by postal area supplied by NATSEM