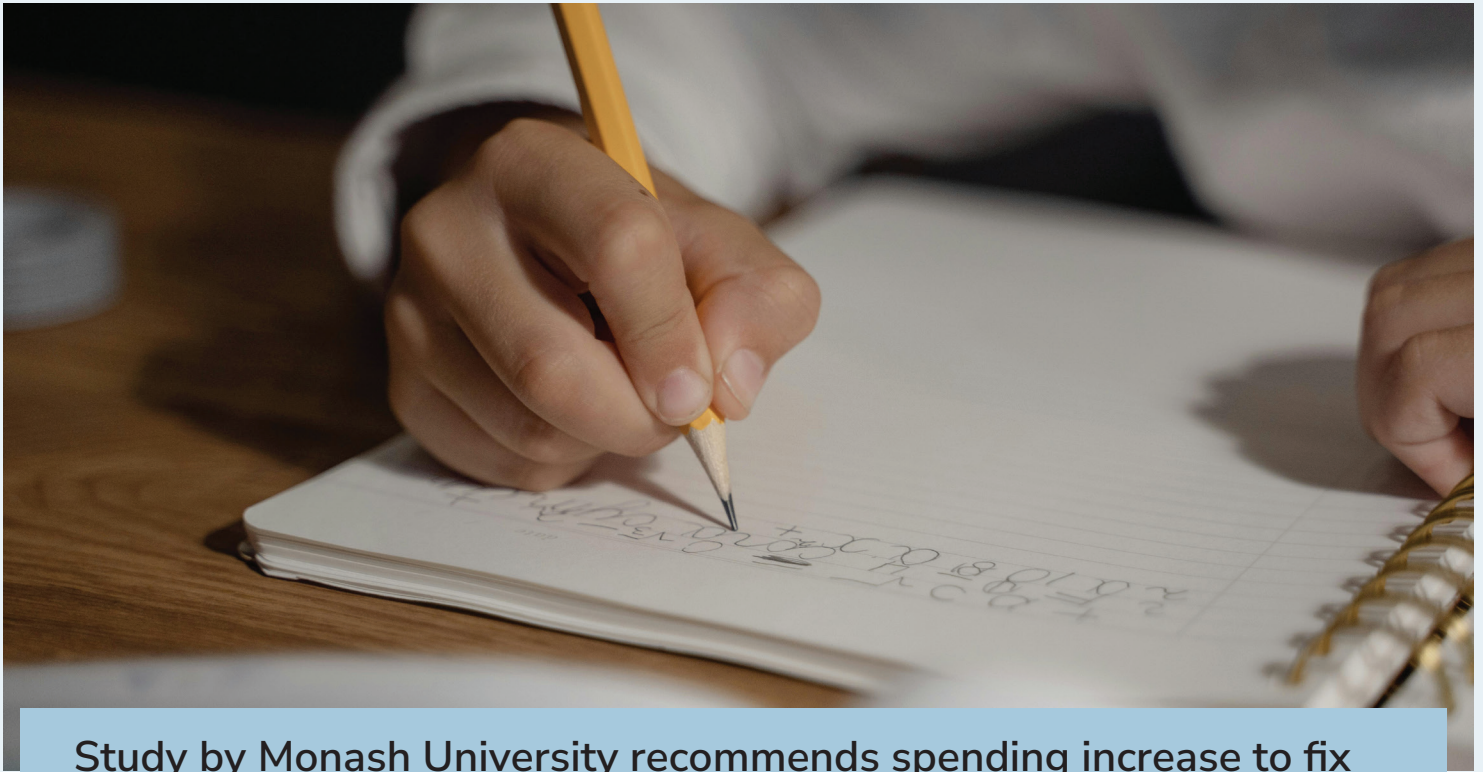


SHARE OF WEALTH HELD BY AUSTRALIA'S POOREST FALLS SHARPLY SINCE 2004



Study by Monash University recommends spending increase to fix inequalities in housing, health and education

By Sarah Basford Canales

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The share of wealth held by Australia's bottom 40% has declined sharply in the last two decades while 3.3m live below the poverty line, a damning report into Australia's track record on quality of life shows.

Monash University's third Transforming Australia Report, released on Thursday, shows progress on more than half of the 80 indicators has stalled or is in freefall, painting a deteriorating picture of the country's social, economic and environmental wellbeing.

The report, which uses long-term data sources to analyse Australia's development over the years, found inequalities across wealth, housing, health, and education were worsening.

More than three million Australians, or 12.7%, lived below the poverty line, according to 2020 data, putting Australia above the OECD average of 12.1% and peer countries, such as Canada (8.6%), and the UK (11.2%).

The share of the nation's wealth held by the bottom 40% of society has declined from 7.8% in 2004 to around 5.5% in 2020.

The report's analysis showed almost 24% of the nation's wealth was held by the top 1% of the population's income-earners while the top 10% had 57% of the nation's wealth.

Australia fared better than the US, where 34.9% of its wealth was held by the top 1% and 70.7% by the top 10%.

Equality in the level of mathematics proficiency between students from low and high socioeconomic backgrounds declined by 25% since 2018 and 34% since 2000.

The trend places Australia below the US, the UK and Germany.

The report does note the country's positive standings in some areas, including life expectancy, superannuation

gender gaps, share of renewable energy, government net debt and low homicide rates.

The report estimates that on current projections Australia will achieve only 55% of progress by 2050 on the sustainable development goals adopted by United Nations members in 2015. The goals are broadly defined as an end to poverty, protection of the planet, and peace and prosperity by 2030.

But increased public expenditure and accountability mechanisms will be needed to achieve 80% of progress towards these goals by 2030, and 90% by 2050, the report recommends.

It recommends a 7% increase in annual expenditure to 2030, financed through tax reforms, to boost investment in health, education, adaptation and resilience.

Social transfers toward lower-income groups could halve the poverty rate and reduce income inequality by 30% by 2050, the modelling suggested.

The report's lead researcher Cameron Allen said other measures, such as introducing a future generations commissioner to consult with governments on long-term planning and legislating targets, could focus politicians beyond the length of their terms.

Increasing political terms beyond three years could also turn the trend on short-term policy-making, he added.

"One of the problems at the federal level is that our election cycle is particularly short. It's only three years so it barely gives elected officials time to implement things before they're already in election mode again," Allen said.

"Ultimately, we need to look at other mechanisms to incentivise policymakers to think long-term."