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MAKING A DIFFERENCE: THE IMPACT OF GOVERNMENT POLICY ON CHILD POVERTY IN AUSTRALIA, 1982 TO 1997-98

Ann Harding and Aggie Szukalska

For additional information please contact:

Ann Harding
National Centre for Social and Economic Modelling (NATSEM)
University of Canberra
ACT 2601, Australia
Ann.Harding@natsem.canberra.edu.au
Fax: (+61) 2 2601 2751
Phone: (+61) 2 2601 2780

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Director: Ann Harding

National Centre for Social and Economic Modelling
University of Canberra ACT 2601 Australia
170 Haydon Drive Bruce ACT 2617

Phone + 61 2 6201 2750 Fax + 61 2 6201 2751
Email natsem@natsem.canberra.edu.au
Website www.natsem.canberra.edu.au

Abstract

This study examines changes in the incidence of poverty among children in Australia between 1982 and 1997-98. It uses four income distribution surveys issued by the ABS to explore trends in aggregate child poverty, using a number of different poverty lines. The results generally suggest that before-housing child poverty fell between 1982 and 1997-98, with the magnitude of the fall varying depending upon the poverty line used. The paper examines the extent to which this fall was due to increases in government cash transfers and in child support. Child poverty appears to have increased over the 1995-96 to 1997-98 period, although this result should be treated with some caution given the small sample size of the 1997-98 survey.

Author note

Ann Harding is the inaugural Director of NATSEM and Professor of Applied Economics and Social Policy at the University of Canberra. Aggie Szukalska is a Senior Research Officer at NATSEM.

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General caveat

NATSEM research findings are generally based on estimated characteristics of the population. Such estimates are usually derived from the application of microsimulation modelling techniques to microdata based on sample surveys.

These estimates may be different from the actual characteristics of the population because of sampling and nonsampling errors in the microdata and because of the assumptions underlying the modelling techniques.

The microdata do not contain any information that enables identification of the individuals or families to which they refer.

Contents

1 Introduction

Child poverty is widely regarded as a key issue and an important indicator of economic wellbeing in Australia. The longer term effects of childhood poverty are now being better documented, due to more surveys around the industrialised world tracking the welfare of individuals over time. There is a growing body of evidence that children living in poor families are more likely in their adult lives to, for example, have difficulty in school, become teen or sole parents, gain fewer educational qualifications, experience poorer health, earn less and be unemployed more (Federal Interagency Forum on Child and Family Statistics 1998, p. 10; Rodgers and Pryor 1988).

Most analyses of how poverty has changed in Australia over the past few decades have been based on the *Henderson poverty line*, but there is evidence that the rate of growth in the Henderson poverty line has exceeded that of community incomes, thus producing a picture of an ever-rising tide of poverty in Australia (see Harding and Szukalska 1999; King 1998). This study examines trends in child poverty from 1982 through to 1997-98 using four different poverty lines — the Henderson, half average income, half median income and the OECD half median income poverty line.

A number of amendments have been made to the data of the four surveys to make them more comparable and these amendments, plus further detail about the methodology, are described in section 2. Section 3 analyses the reasons for the decrease in child poverty from 1982 to 1997-98. Section 4 looks at possible reasons for the apparent increase in child poverty rates in the two years from 1995-96 to 1997-98. Section 5 briefly examines the after-housing poverty picture, while Section 6 looks at poverty gaps. Finally section 7 presents the main conclusions.

2 Defining poverty

The vigorous debate about how best to measure poverty continues in both Australia and most other countries. Australians generally do not suffer the severe material deprivation evident in some developing countries. This affects our definition of poverty. For us poverty applies not only to individuals without food or shelter, but also to those whose living standards fall below some overall community standard. This *relative poverty* definition underpins most estimates of the number of Australians in poverty (ABS 1998).

There is no universally accepted measure of poverty. All of the decisions made by analysts in defining and measuring poverty are highly debateable.

2.1 The indicator of resources

How well off are we? Quality of life can be measured by the things that we own, our ability to afford shelter, the safety of our neighbourhoods, our health and nutrition, as well as our incomes. Like the majority of Australian studies, this study uses the disposable (after income tax) cash income of a family as the indicator of their standard of living. However, it must be acknowledged that income is an imperfect proxy for the standard of living achieved by families. For example, the consumption or expenditure of a family may be viewed as a more reliable guide to their standard of living. A family may smooth consumption across years or even across the life cycle by dissaving during periods of low income and saving during periods of higher income. In addition, for groups suspected of being able to arrange their affairs so as to reduce their reported income — for example, the self-employed and millionaires (Bradbury 1996) — consumption may provide a better indicator of economic resources than income.

Furthermore, non-cash benefits are not included within the 'cash income' measure of resources. Non-cash benefits arise from the use of government funded or subsidised welfare services, such as education and health. Previous research has shown that families with children receive higher than average non-cash benefits, so that including such benefits within the measure of resources might change the poverty picture (Harding 1995, p. 76; Johnson, Manning and Hellwig 1995; Johnson 1998; Smeeding et al. 1993). Yet including non-cash benefits in the poverty measure is not straightforward (Landt and King 1996, p. 5).

More comprehensive measures of economic wellbeing may change the story about which groups are most in need. Travers and Richardson (1993), for example, found only a weak correlation between those who were 'poor' on the cash income poverty measure and those who were 'poor' using fuller income measures. Nonetheless, access to cash income remains one of the key benchmarks used in studies of poverty and inequality – a result in part dictated by the availability of the relevant data.

2.2 Equivalence scales

Although the use of equivalence scales is fraught with controversy, there is little choice but to use such scales in poverty analysis. It is unlikely that, for example, a single person with an income of $19 000 suffers from the same degree of poverty as a couple with four children on the same income. A way therefore has to be found to define poverty levels for families of different composition. Typically a poverty line is defined for a benchmark family type, such as an individual or a couple without children, and then equivalence scales are used to determine comparable poverty lines for other types of family.

It must be emphasised that results can vary greatly depending on the equivalence scale used (Buhmann et al. 1988). Two equivalence scales are used in this study. The first, the detailed Henderson equivalence scale, has been widely used in Australia. This equivalence scale was derived from a survey of household budgets and costs in New York in the 1950s. The second is the OECD scale, which has been widely used internationally. The Henderson equivalence scale gives a weight of one to the first adult in the unit, 0.56 to a second adult, and 0.32 for each child, while the OECD equivalence scale carries a weight of one for the first adult in the unit, 0.7 for a second adult, and 0.5 for each child. Thus, the OECD scale gives a higher weighting to the needs of the second adult and to children.

In line with recommendations made by a review committee in 1996, in applying the Henderson scales we have given dependent children aged 18 years and over the same weighting as a spouse (that is, they have been treated as adults rather than children). In addition, there is a slight difference in the way that we have defined 'working' for the purpose of assigning equivalence scale points. The original Henderson approach assigned the higher 'working' points to people who were either working full-time or unemployed and looking for full-time work. In this study, the 'working' points have also been assigned to those who are working part-time and to those who are unemployed and looking for part-time work.

The OECD scale does not vary with the labour force status of the adults or the ages of the children or the adults.

2.3 The income unit

The income unit is the group between whom income is assumed to be equally shared. Possible income units include the individual, the nuclear family, a more extended family, and the household. The precise income unit used can make a major difference to poverty estimates. For example, if a single unemployed 18 year old male still living in the parental home is regarded as a separate income unit, then he is likely to be in poverty. Conversely, if he is regarded as part of the parental income unit, he is much more likely not to be in poverty.

In this study we employ the ABS definition of the income unit — a couple without dependent children, a couple with dependent children, a sole parent with dependent children, or a single person — but subsequently use the term 'family' to refer to the unit. A dependent child is defined as a child aged less than 15 years or a 15–24 year old in full-time study and still living in the parental home. In other work we have looked at the difference made to child poverty estimates by treating non-dependent children still living with their parents as part of the parental income unit (Harding and Szukalska 1998).

Having defined the income unit, a decision needs to be made about whether to attribute income to the income unit or to each individual living in that income unit. For example, if the total income of a family consisting of husband, wife and two children is below a poverty line, does this mean that one family is in poverty or that four individuals are in poverty? This study deals with the number of children in poverty, so each child in a family has been ascribed the income of their family (that is, the results are child weighted — not family weighted).

2.4 The data and the period

This report uses data from both the 1982 Income and Housing Survey and the three most recent Surveys of Income and Housing Costs confidentialised unit record files, issued by the ABS. The 1982 income survey contained individual records for 31 723 people aged 15 years or more belonging to 20 117 income units. The 1995-96 survey was a 'double' survey, in which the ABS 'aged' the 1994-95 income survey responses and added them to the actual 1995-96 survey responses, resulting in a total sample size of 27 844 people aged 15 years or more. The 1996-97 and 1997-98 surveys were smaller, each with a sample of about 15,000 people aged 15 years or more.

All records are weighted, so that the results can be grossed up to arrive at estimates for the whole population. The 1982 weights were constructed by NATSEM after concerns about the accuracy of the weights attached by the ABS to the original file (Harding 1993). The mid-1990s weights were constructed by the ABS. The scope of the mid-1990s surveys was limited to people living in private dwellings. In contrast, the 1982 survey included people living in 'special dwellings' such as boarding houses and religious and educational institutions, so those living in such dwellings were excluded from the analysis.

The 1982 survey was conducted between September and November 1982, while the mid-1990s surveys were conducted monthly throughout the relevant financial years. While the earlier 1982 survey was conducted as a special survey at a particular point in time, the later surveys were added onto the ABS Monthly Population Survey. In theory, this should not have affected the results.

However, our earlier work suggested that in practice there were problems with comparing the annual income data in the mid-1990s surveys to that of the 1982 survey, with the difference apparently caused by the failure to exclude people whose circumstances had changed radically resulting in too many people with very low or no annual income. As a result, all of the figures in this study are based on current weekly income rather than annual income.

Income is defined as 'regular cash receipts' and includes wages and salaries, business and investment income, and government cash transfers such as pensions and family allowances. In 1982 the ABS reset negative investment and business incomes to zero, before adding them to other income sources. To make the mid 1990s data comparable, such negative incomes were also reset to zero and then gross incomes were recalculated. Another problem is that the incomes of all 15–20 year old dependent children in the 1982 survey were not recorded (so that, effectively, they were set to zero). It was not easy to decide the best way to make the mid-1990s data comparable. It is possible, for example, to reset the incomes of all 15–20 year old dependants in the mid-1990s surveys to zero but, because more children are remaining at home now for extended periods and because a higher proportion of them are in part-time jobs and earning income, the degree of misrepresentation of the true picture introduced by setting all such incomes to zero would be much greater in 1997-98 than in 1982. Ultimately, we decided not to tamper with the mid-1990s data, while recognising that this would tend to very slightly overstate any reduction in poverty between the two years.

Finally, in the mid-1990s surveys all children aged 15–24 years old and in full-time study were counted as dependants while, in the 1982 survey, the cut-off point was 20 years. To make the data comparable, those 21–24 year old full-time students regarded as 'not dependent' in 1982 were identified and added back into their parent's income unit. In 1982 income tax was imputed by NATSEM while in the later data income tax was imputed by the ABS.

2.5 The poverty lines

The apparent magnitude of poverty is critically dependent on where the poverty line is drawn. In Australia today, this is essentially an arbitrary decision, in that we do not have recent data to tell us exactly how much income different types of family need to have in order to not be in poverty. The budget standards project carried out by the Social Policy Research Centre at the University of New South Wales provides a guide to the amount of income required to finance a 'low cost' standard of living, but the results are not regarded by them as providing a poverty line benchmark (Saunders 1998b). In this report we describe poverty using the 'head count' approach, which shows the number of children living in families whose incomes fall below a specified poverty line and we use four different poverty lines.

The Henderson poverty line

The Henderson poverty line has been traditionally used in much Australian research. However, we have major concerns about the way the line has been updated over

time to match changes in community incomes (Saunders 1996, p. 333; Mitchell and Harding 1993). As King (1998) recently noted, the Henderson poverty line would now be about 15 per cent lower if the updating method had been amended to take into account the most commonly expressed concerns about it.

According to our analysis, in 1982 the Henderson poverty line amounted to 51.4 per cent of average income. By 1997-98 it amounted to 57.6 per cent of average income. Thus, the reason why the Henderson poverty line is producing a picture of an 'ever-rising tide' of poverty is because it is set at an ever-rising proportion of family income.

Half median poverty line

The half median poverty line, one which is widely employed internationally, is set at *half of the median equivalent family disposable income* of all Australians. Note that using this poverty line means that we are comparing the living standards of children with the living standards of all Australians. (An alternative would be to develop a *child median* poverty line, based on the family incomes of children only (Bradbury and Jantti 1998). In this case, poor children would be those who had much lower living standards than other children rather than those who had much lower living standards than Australians generally.) This poverty line still uses the detailed Henderson equivalence scale to calculate the relative needs — and thus the equivalent income — of different types of family. Because the Henderson equivalence scale has been used, this poverty line can be viewed as being exactly the same as a poverty line drawn at 76 per cent of the usual Henderson poverty line in 1997-98.

Half average poverty line

The half average poverty line is similar to the half median poverty line, but is set at *half of the average equivalent family disposable income* of all Australians. There are some concerns about the adequacy of the median as a benchmark for community incomes in a world where there has been strong growth in incomes at the top end of the income distribution (Harding 1997). Our analysis suggests that the half average income poverty line has increased somewhat faster than the half median poverty line since 1982 (see table 1).

This poverty line also uses the Henderson equivalence scale, so differs from the half average income poverty line only in that it uses 'half average income' rather than 'half median income' to set the poverty line. As it happens, this poverty line is about 13 per cent lower than the Henderson poverty line, so it arguably provides a

reasonable guide to what measured poverty would be now if the method of updating the Henderson poverty line were improved.

The OECD poverty line

A fourth poverty line was used to match many international studies, drawn at half the median equivalent family disposable income but using the *OECD equivalence scale* rather than the Henderson equivalence scale. This poverty line thus captures the effect of those different assumptions about the relative needs of children and adults that are implicit in the different equivalence scale.

Accounting for housing costs

A final issue is whether to measure poverty before or after families have paid their housing costs. Home purchasers and private renters usually have higher housing costs than do outright home owners and public renters. People with similar low incomes may thus have quite different living standards if their housing costs are very different (King 1998). To overcome this, the Henderson poverty line includes two sets of poverty lines: before and after housing. To derive after-housing poverty estimates, the housing costs of families are deducted from their after-tax incomes and the results compared with the corresponding after-housing poverty line. Although the other three poverty lines described above are normally applied to before-housing income — and it is not entirely clear that they can be validly used on an after-housing basis — they are also applied to after-housing income later in this study.

3 The 1982 to 1997-98 period

The poverty rate is the proportion of the population with incomes below a specified poverty line. As always, the estimated number of children in poverty varies greatly depending upon exactly where the poverty line is drawn.

The Henderson poverty line is much higher than the other three poverty lines used and thus, not surprisingly, results in a higher estimated level of child poverty. According to this poverty line, the poverty rate among dependent children has risen from 19.5 per cent in 1982 to 22.7 per cent in 1997-98. However, as noted earlier, the Henderson poverty line appears to be indexed to an inappropriate measure of living standards. While the Henderson poverty line rose by 22.8 per cent between 1982 and 1997-98, the half average poverty line rose by 11.5 per cent, the half median poverty line rose by 7.7 per cent and the OECD poverty line rose by 9.2 per cent (table 1). The

Henderson poverty line thus rose by two to three times more than these other measures of community income over this 16-year period.

The half average poverty line — where the poverty line is set at half of the average equivalent disposable income of families in Australia —suggested that 14.2 per cent of dependent children were in poverty in 1997-98, down from 17.4 per cent in 1982. This represented a fall of about one-fifth in the child poverty rate since 1982 (figure 1). The actual *number* of children in poverty was, however, very similar in both years, at about 700 000. (Because there were far more children in 1996-97 than in 1982 — 4.9 million compared with 4.2 million — the number of dependent children in poverty was much the same despite the decline in the risk of being in poverty.)

The half median poverty line indicated that poverty fell from 13.1 per cent in 1982 to 8.8 per cent in 1997-98 —a one-third fall in child poverty rates. Unfortunately, there is no unambiguous standard that allows us to say whether the half average income poverty line should be preferred to the half median income poverty line. The deciding factor is a value judgment about whether it is most appropriate to compare the living standards of children with the incomes of all families in Australia or only with the incomes of families in the middle of the family income distribution. Recent research by NATSEM suggests that middle income families have not done as well as high income families over the 1982 to 1996-97 period.[1] The lower increase in the half median poverty line relative to the half average poverty line is thus not unexpected.

Finally, the results from the OECD half median poverty line also suggested a fall in child poverty over the 1982 to 1997-98 period, from 15.9 per cent to 10.3 per cent — again a fall of about one –third.

What are some of the reasons for the fall in child poverty during the 1980s and 1990s? Although falling unemployment might be having an influence now in 2000, it was not a decisive factor in 1997-98, with the average original unemployment rate in 1997-98 of 8.25 per cent being much the same as that prevailing in November 1982. The following sections look at two other influences – changes in government cash transfers to low income families and child support.

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1 Research conducted by NATSEM for *The Australian*'s 'Advance Australia Where' series may be downloaded by logging onto the NATSEM website, picking 'Inequality in The Australian' under the Quick Pick box, and then clicking on the 'Resources' documents at the right hand side of this page.

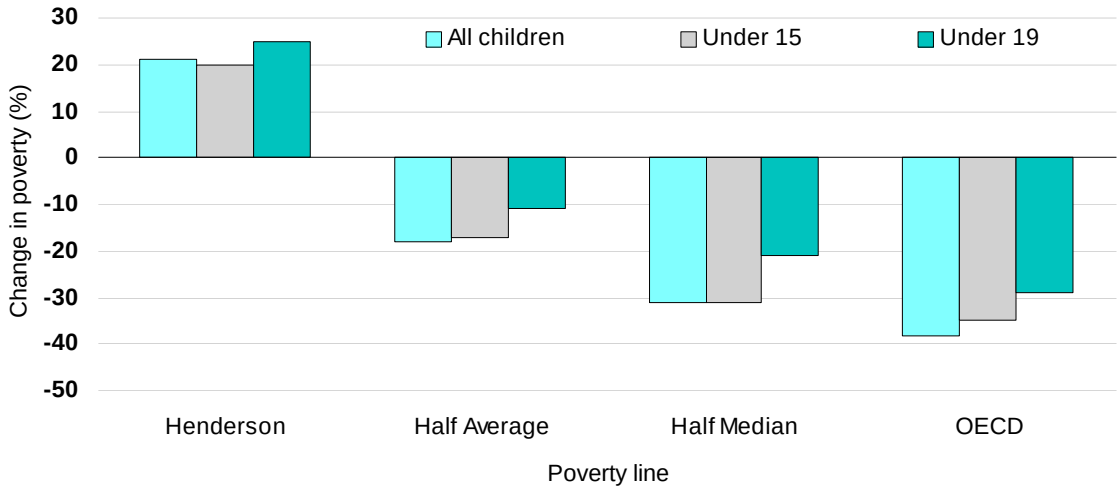
Table 1 **Estimates of poverty child poverty using four different poverty lines, 1982, 1995-96 and 1997-98**

	Henderson				Half Average				Half Median				OECD			
	82	95-96	96-97	97-98	82	95-96	96-97	97-98	82	95-96	96-97	97-98	82	95-96	96-97	97-98
Level of poverty line																
In current dollars	$187	$434	$451	$458	$179	$365	$385	$398	$162	$320	$338	$348	$170	$341	$360	$369
In 1997-98 dollars	$373	$440	$451	$458	$357	$370	$385	$398	$323	$324	$338	$348	$338	$345	$360	$369
Poverty rates (%)																
All dependent children	19.5	24.2	22.5	22.7	17.4	12.5	12.4	14.2	13.1	8.0	7.3	8.8	15.9	10.0	9.4	10.3
Children under 15	20.0	25.3	24.0	23.9	17.9	13.0	12.9	15.1	13.2	8.5	7.7	9.2	16.5	11.0	10.3	10.9
All children under 19 [a]	20.3	20.0	24.9	25.2	18.4	14.5	14.6	16.5	14.2	10.0	9.4	10.9	17.0	12.1	11.6	12.5
All children < 24 at home [a]	19.9	29.9	30.5	32.2	29.6	22.5	24.1	27.5	17.9	20.2	21.0	23.0	19.7	21.7	22.3	24.5
Non-dep. 15-18 yo at home	25.7	54.2	54.7	55.4	25.2	43.8	48.8	47.9	23.6	39.7	44.1	41.9	24.7	42.8	45.9	45.4
15-18 yo dependent children	18.4	21.1	17.5	19.9	16.2	11.0	10.9	11.8	13.3	6.8	5.4	7.9	14.1	7.3	5.2	8.4
Poverty numbers ('000)																
All dependent children	810	1 163	1 090	1 120	724	598	598	700	544	388	353	435	663	491	452	509
Children under 15	700	996	947	939	627	514	509	592	464	335	305	360	579	433	406	426
Children under 19 [a]	922	912	1 232	1 250	824	712	723	818	638	490	464	541	764	595	571	620
All children < 24 at home [a]	210	250	273	278	207	188	216	237	189	169	188	199	208	181	200	212
Non-dep 15-18 yo at home	98	118	138	134	96	95	123	116	90	86	111	101	94	93	116	110
15-18 yo dependent children	100	144	120	149	88	76	75	89	72	47	37	59	76	50	36	63

Note: All poverty lines have been expressed in 1997-98 dollars using the consumer price index to take out the effects of inflation. The poverty line is for a couple with two children. a Includes non-dependent children

Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM

Figure 1: **Percentage change from 1982 to 1997-98 in the proportion of children in poverty**



Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM

3.1 Changes in the cash transfer system

Since 1982, spending on social transfers has increased from around 6 per cent of gross domestic product (GDP) to 7 per cent of GDP in 1998. In real 1997-98 dollars, spending on welfare in Australia rose from around $9.5 billion in 1982 to just under $39 billion in 1998. This increase continues the historical trend of growing welfare expenditure.

Since the early 1980s major reforms in the area of assistance for families with children have been implemented every two or three years. At the beginning of the 1980s, only social security pensioners (including sole parents) and longer term sickness beneficiaries received rent assistance, while only social security pensioners and beneficiaries received additional payments for their children. Low income working families with children received only a relatively small family allowance payment. The social security landscape is now radically different.

The family income supplement was introduced in May 1983 to provide extra assistance for low income working families with children and, after numerous revamps, remains in the Howard government's 2000 tax reform package as the higher rate of assistance in the Family Tax Benefit (Part A). Similarly, after a series of gradual policy changes over a number of years, *rent assistance* was extended to all

recipients of sickness allowances, to most unemployed people and to low income working families with children in the private rental market.

After its election in 1996, the Howard Government introduced the 'Family Tax Initiative' (FTI), which commenced in March 1997, and provides additional assistance for families with children. Middle income families access their FTI entitlement through the taxation system, known as Family Tax Assistance (FTA). Low-income families may access their FTI entitlement as a fortnightly cash payment from Centrelink, known as Family Tax Payment (FTP). There are two components to FTP—Part A and Part B. Part A provides assistance to families at the rate of $7.70 per fortnight per child (as at January 2000), while Part B provides flat-rate assistance of $19.24 per fortnight to single-income families with young children under the age of five. [2]

If we look at a couple where the father works for a low wage and the mother stays at home looking after their two young children, in 1982 such a couple received just under $13 a week in family assistance – about $26 a week in 1997-98 dollars. In January 1998 this couple could receive up to $96.40 in family payments and up to $43.70 a week in rent assistance – a total of $140.10. This package of assistance was worth about 4 per cent of average weekly ordinary full-time earnings in November 1982 and 19 per cent of such earnings in 1997-98.

It was not just working families that benefited from these sharp increases in assistance for families with children. Table 2 shows the social security payments received by unemployed couples and sole parents with children from December 1982 through to June 1998. Such families benefited not only from the new packages of family assistance and the Family Tax Initiative, but also from real increases in the basic rate of pension or allowance. By June 1998 sole parents with two children, for example, were receiving an extra $87 a week if they were renting privately and $106 a week if they were not (after taking full account of the effects of inflation). For such sole parents renting privately, this represented an after-inflation payment increase of 34 per cent.

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[2] As at January 1998, around two million families were receiving an FTI entitlement. Of these, around 1,100,000 (or 55 per cent) received their entitlements through the tax system (FTA), and about 900,000 (or 45 per cent) received their entitlements from Centrelink (FTP).. Of the 900,000 customers who were receiving an FTP entitlement in January 1998, about 510,000 (or 57 per cent) received Part A only, and about 390,000 (or 43 per cent) received Part B in addition to Part A. This represents a one per cent decrease from 1996-97 when about 910,000 customers received an FTP entitlement. (source: http://www.facs.gov.au/annualreport/ar2-4005.htm).

Table 2 **Maximum value of payments for selected income support payments, Australia November 1982 and June 1998** In June 1998 dollars

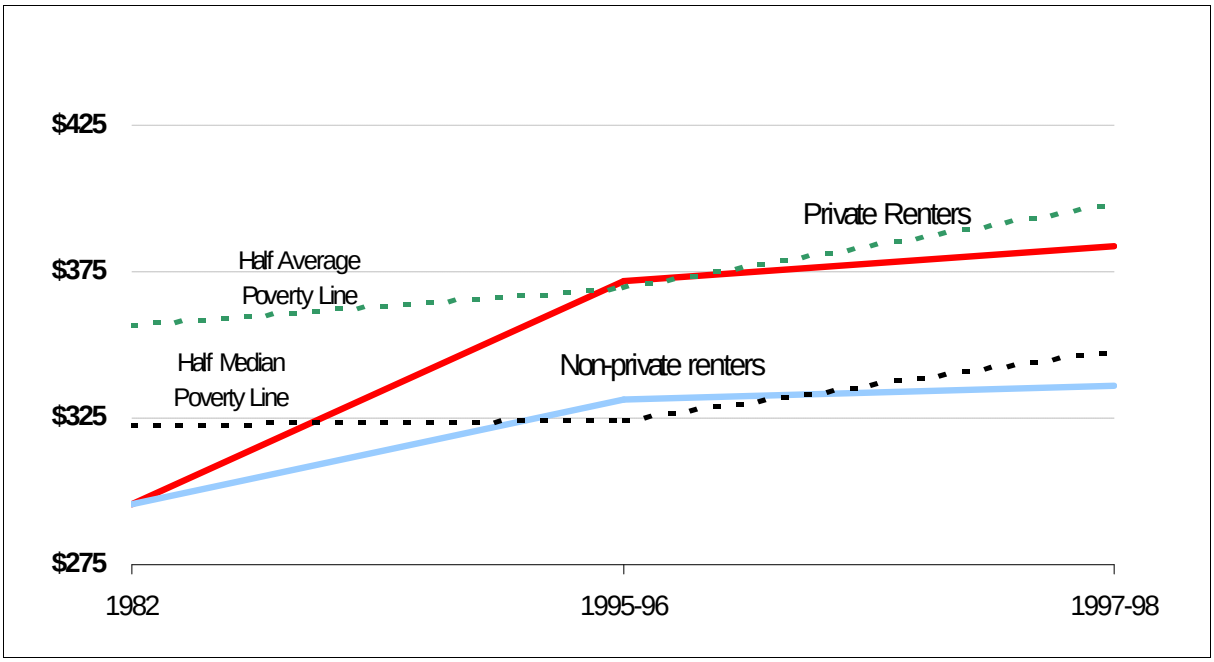
	Unemployed couple			Sole parent		
	1 child	2 children	3 children	1 child	2 children	3 children
	$ pw	$ pw	$ pw	$ pw	$ pw	$ pw
Private renters						
November 1982	296	332	371	223	259	298
June 1998	386	438	496	294	346	404
Real change	90	106	125	71	87	106
Non-private renters						
November 1982	296	332	371	202	238	277
June 1998	338	387	435	247	295	343
Real change	43	55	64	44	57	66

Data source: Calculated from Department of Social Security annual reports. Assumptions: All people are assumed to have zero private income so that maximum rates for all payments are applicable, all children are assumed to be under 13 years of age, no maternity allowance is assumed, private renters pay sufficient rent to be eligible for maximum rate of RA, and families are given the maximum Family Tax Benefit because we assume that partners have no income.

Figures 2–5 illustrate the impact of these payment increases in pulling families above the relevant poverty lines. (In all cases the families are assumed to have no private income and receive maximum social security payments.) An unemployed couple with one child was below both the half average and the half median poverty lines in 1982 whereas, by 1997-98, those renting privately were above the half median poverty line (figure 2). In 1982, unemployed couples with two children dependent on social security were above the half median poverty line but below the half average poverty line (figure 3). By 1997-98, those receiving maximum rent assistance were above both the half average and the half median income poverty lines.

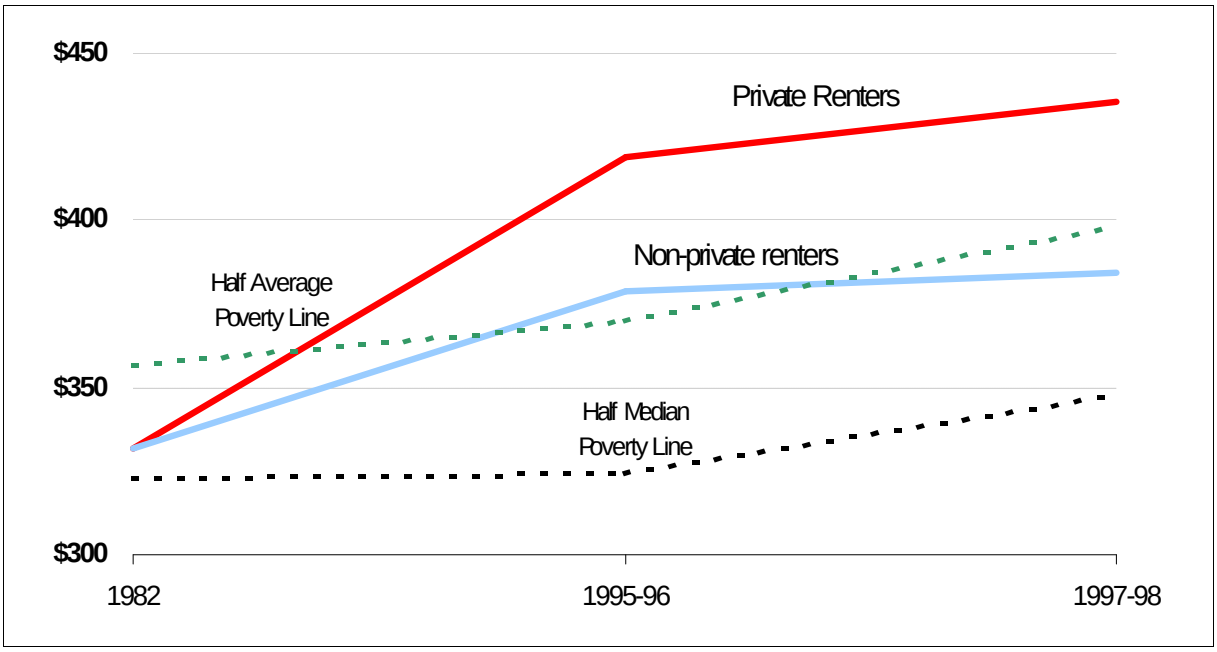
Similarly, in late 1982 sole parent pensioners with two children were well below both the half average and the half median income poverty lines (figure 4). Although such pensioners were still below these poverty lines in 1997-98, those receiving maximum rent assistance were very close to the half median income poverty line, so that even a small amount of non-pension income would have lifted them above this poverty line. For sole parent pensioners with three children the changes were more dramatic: while such sole parents were below both the half average and the half median income poverty lines in late 1982, those receiving maximum rent assistance were above both of these poverty lines in 1997-98 (figure 5).

Figure 2 **Maximum value of payments and poverty lines for unemployed couple with one child**



Data source: Calculated from FaCS annual reports and Table 1

Figure 3 **Maximum value of payments and poverty lines for unemployed couple with two children**



Data source: Calculated from FaCS annual reports and table 1.

These figures also illustrate very clearly how close social security payments are to the various poverty lines. This is the key reason why small changes in the poverty lines

can have a large impact upon measured poverty rates. As some of the graphs demonstrate, various groups of maximum rate social security recipients with children were above some of the various poverty lines in 1995-96 but below them by 1997-98. This would be one of the factors explaining the increase in child poverty over the 1995-96 to 1997-98 period (discussed in more detail below).

Figure 4 **Maximum value of payments and poverty lines for sole parents with two children**

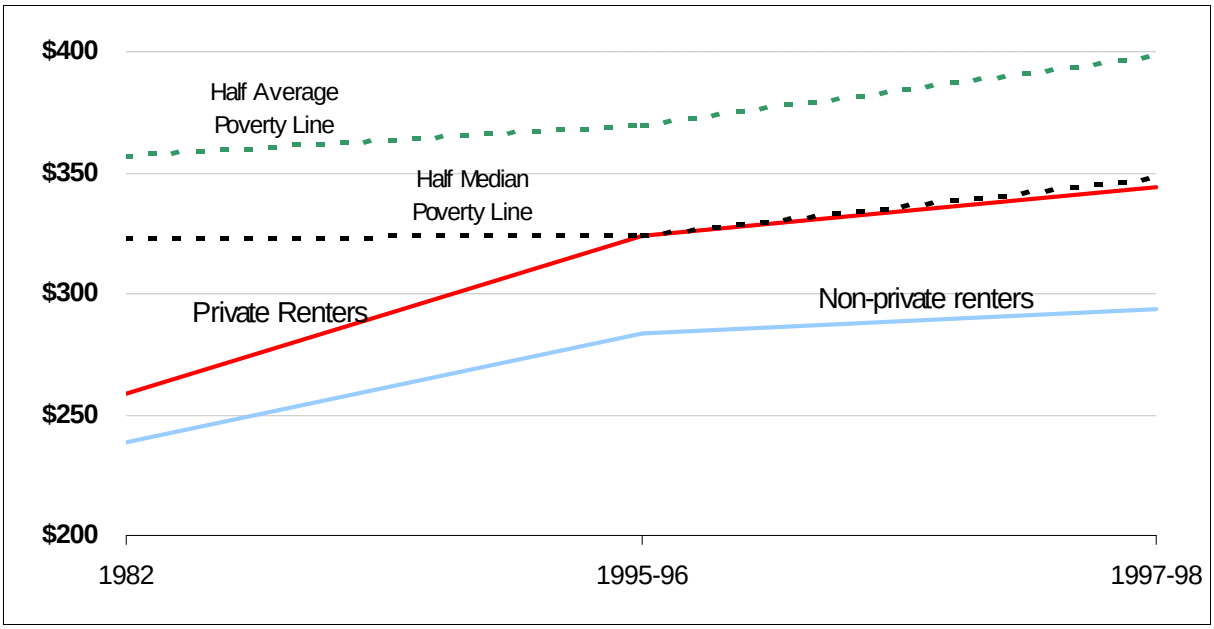
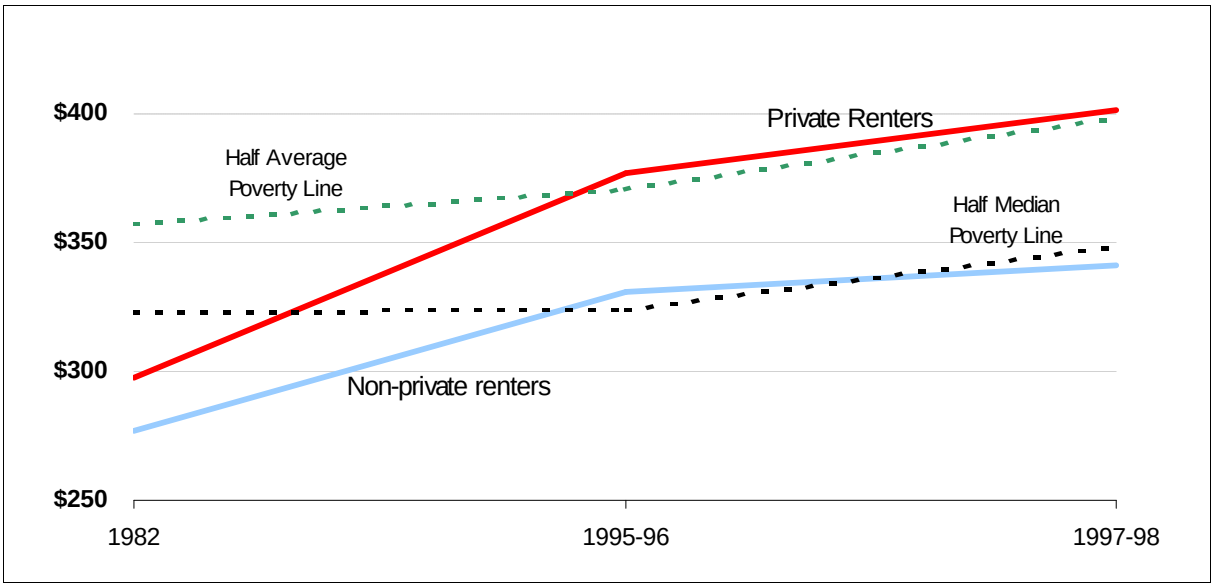


Figure 5 **Maximum value of payments for selected support payments and poverty lines: Sole parents with three children**



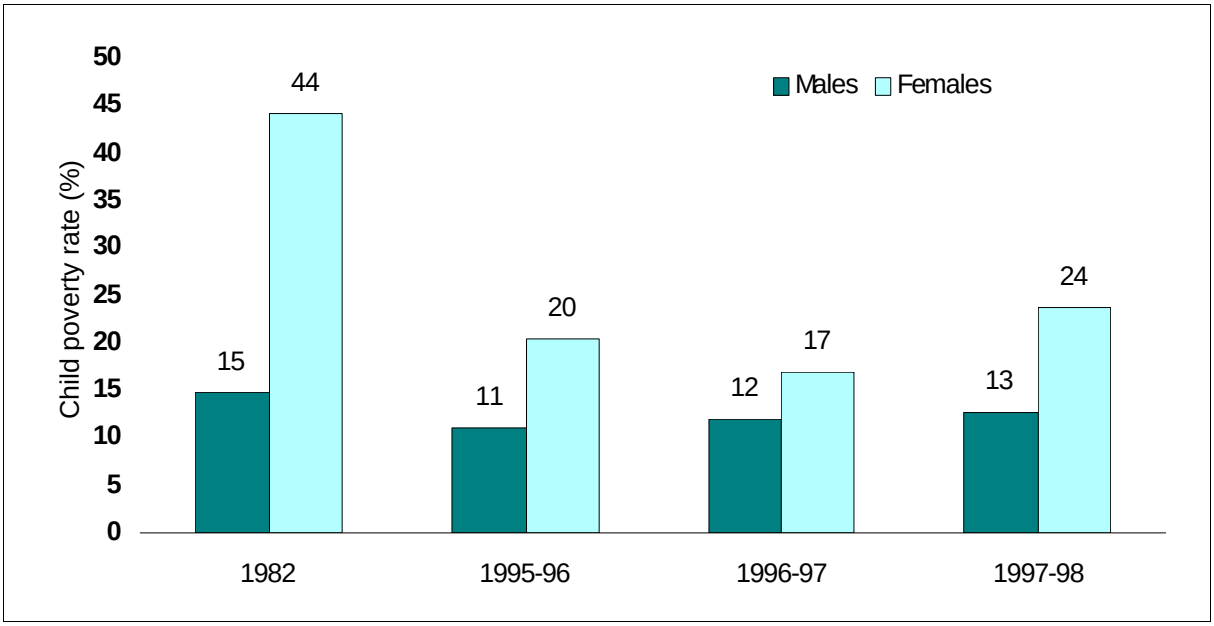
Data source: Calculated from FaCS annual reports and Table 1

3.2 Child support

In 1997-98 there were 4.9 million children in Australia. The majority — 84 per cent or 4.1 million were members of couple families, where all children lived with both natural parents or step-families[3]. The remainder were members of sole parent families.

Our figures suggest that the extent to which poverty has a female face has changed significantly since 1982. In 1982 children living in families headed by a female were three times as likely to be in poverty as children living in families headed by a male. By 1997-98 they were about twice as likely to be in poverty (figure 6). Similarly, the poverty risk faced by children living in families where their parent was 'separated and divorced' halved between 1982 and 1997-98, from 42 to 20 per cent (figure 7). These figures point to substantial changes in the economic position of sole parents, who are overwhelmingly female. These results reflect not only the substantial increases in social security payments made to sole parents over the past couple of decades, but also the changes in child support arrangements.

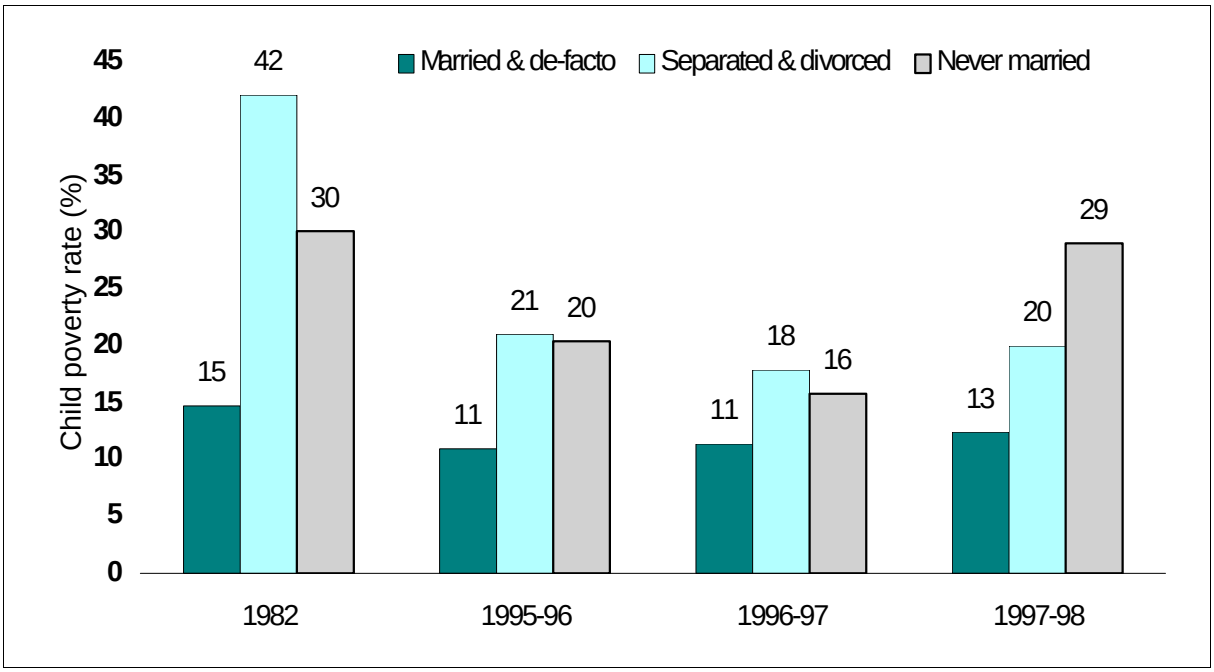
Figure 6 **Child poverty rates by gender of the reference person, 1982 to 1997-98.**



Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM.

3 Step families refer to families where, after separation, one or both of the natural parents have re-married.

Figure 7 **Child poverty rates by marital status of parents, 1982 to 1997-98.**



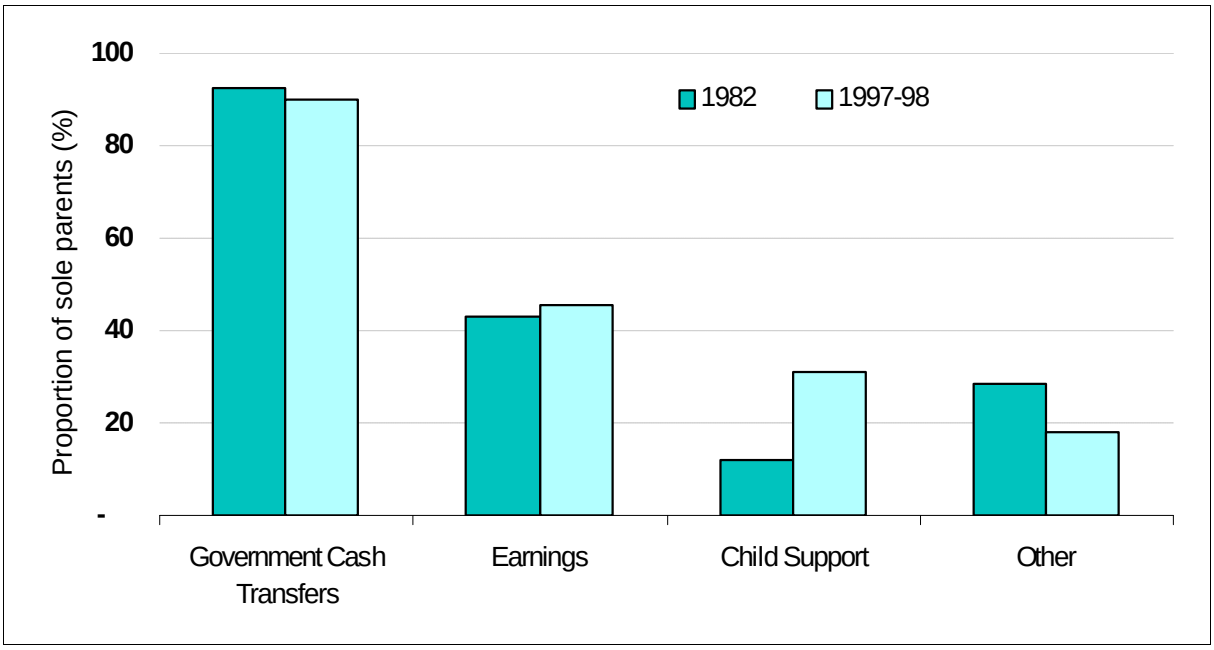
Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM.

In the 1980s the poor economic circumstances of sole-parent families headed by women drew increasing government and public attention to absent parents who failed to meet their financial responsibility towards their children. Consequently, the Child Support Scheme (CSS) was introduced in 1988 to help alleviate the high level of poverty among sole parent families (ACOSS 1993).

How successful has the introduction of CSS been in reducing poverty rates among sole-parent families? To explore this question let us first look at the sources of income for children living in sole-parent families in Australia. In 1997-98, 90 per cent of all children living in sole parent families received some government cash transfers, down slightly from 93 per cent in 1982. The proportion receiving at least some earnings rose, from 40 to 43 per cent of all children living in sole parent families. But the dramatic change was in receipt of child support payments. In 1982 only 12 per cent of all children living in sole parent families benefited from child support payments. By 1997-98 this proportion had almost tripled, to 31 per cent (figure 8).

As table 3 shows, the average amount of child support received has also roughly tripled, from $10 in 1982 to $36 a week by 1997-98 (after taking out the impact of inflation). As a result, child support now comprises 8 per cent of the total family income of children living in sole parent families, up from 2 per cent in 1982. Child support is almost entirely received by female sole parent families, as figure 9 makes clear. For male sole parent families, child support makes up less than 0.5 per cent of total income on average, and earnings play a far more important role.

Figure 8 **Proportion of children living in sole parent families receiving various income sources, 1982 and 1997-98**



a Other income includes income from rent, investments, superannuation and in-kind transfers. Public Assistance refers to Government cash benefits such as pensions and allowances.

Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM

Is it possible to estimate how much difference these dramatic changes in child support payments have made to child poverty? In 1982 the families of children living in female headed sole parent families received $12 a week in child support (expressed in 1997-98 dollars) and in 1997-98 they received $41 a week (table 3)[4]. Thus, payments in 1982 were only 29 per cent of average payments in 1997-98. To approximate the impact of the Child Support Scheme not being introduced, we thus multiplied all child support received in 1997-98 by 0.29, so that average child support payments in 1997-98 were then at the same real level as they were in 1982. We then recalculated the half average income poverty line, and found that child poverty would be 15.4 per cent in this scenario (up from 14.2 per cent in the 'real' 1997-98 world). Thus, if the Child Support Scheme had not existed, child poverty could have been about 1.2 per cent higher, representing 58 000 children.

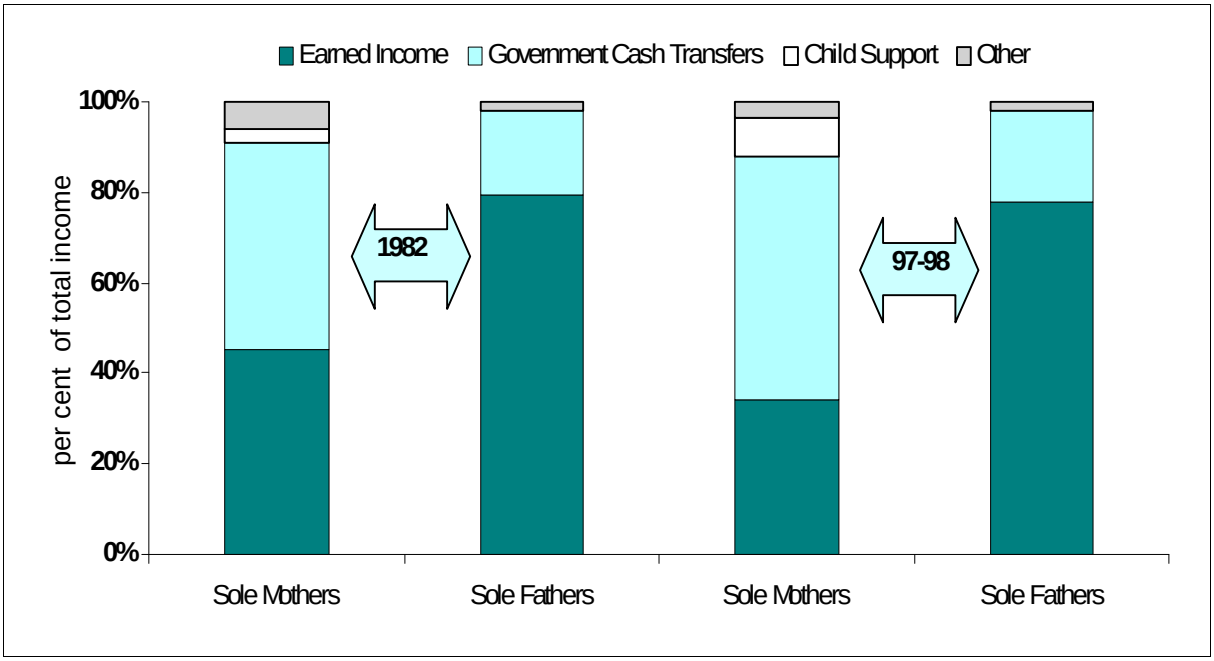
4 So few male headed sole parent families received child support payments that for this exercise we just looked at the payments received by female headed sole parent families.

Table 3 **Average weekly child support and other payments received by children living in sole parent families, 1982 and 1997-98** In 1997-98 dollars

	Earned Income		Government Cash Transfers		Child Support		Other[a]		Total weekly income	
	1982	1997-98	1982	1997-98	1982	1997-98	1982	1997-98	1982	1997-98
Sole mothers										
One child	229	243	116	164	8	18	14	6	365	431
Two children	185	155	150	226	16	46	28	40	379	467
Three children	86	137	199	281	14	57	28	3	329	478
Four children	28	41	317	380	4	94	8	4	357	520
Five or more children	0	0	329	475	0	5	32	23	361	502
ALL	162	*172*	164	*230*	12	*41*	22	*17*	361	460
Proportion of total income	45%	37%	45%	50%	3%	9%	6%	4%	100%	100%
Sole parents [b] (817 945)										
One child	289	277	98	160	6	15	14	8	407	459
Two children	215	203	142	204	14	40	26	36	397	483
Three children	136	137	193	281	14	57	26	3	369	478
Four children	28	84	319	371	4	87	8	4	359	545
Five or more children	0	0	331	483	0	4	30	21	361	508
ALL	209	*206*	152	*217*	10	*36*	22	*117*	391	477
Proportion of total income	44%	43%	32%	45%	2%	8%	5%	25%	82%	100%

[a] Other income includes superannuation, investments and in-kind transfers. Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM. [b] In 1997-98 there were about 95,000 children living in male headed sole parent families and about 725,000 living in female headed sole parent families. Chald support payments were a negligible source of income for such fathers.

Figure 9 **Proportion of total family income received from various income sources for children living in sole parent families, 1982 and 1997-98**
In 1997-98 dollars



Note: Other income includes income from superannuation, investments and in-king transfers, It does not include income from child support.

Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM.

4 The 1995-96 to 1997-98 period

The apparent poverty outcomes over the 1995-96 to 1997-98 period differ depending upon the poverty line used and the characteristics of the children examined. All four of the poverty lines used suggest an apparent fall in poverty among all dependent children between 1995-96 and 1996-97, followed by an apparent increase between 1996-97 and 1997-98. While the Henderson poverty line indicates a fall in overall dependent child poverty over the entire three years to 1997-98, the other three poverty lines all suggest an increase in child poverty during this period. For example, using the half average income poverty line, child poverty has increased from 12.5 per cent in 1995-96 to 14.2 per cent in 1997-98. This is reflected in a 100 000 increase in the number of dependent children in poverty, up from 600 000 in 1995-96 to 700 000 in 1997-98.

But the half median income poverty line suggests that dependent child poverty has increased by much less than this, from 8 to 8.8 per cent of all children between 1995-

96 and 1997-98. And the OECD poverty line records an even smaller 0.3 percentage point increase in the dependent child poverty rate, up to 10.3 per cent by 1997-98.

The picture is also somewhat different if one looks at just children aged less than 15 years, rather than all dependent children (which includes dependent full time students up to age 24 years). In this case, while the half average and half median poverty lines both suggest an increase in poverty among 0-14 year olds between 1995-96 and 1997-98, the OECD and Henderson poverty lines both suggest a decrease (table 1).

4.1 Income trends

Why are these results so different? Part of the explanation is that average family income increased more rapidly over these three years than median family income. For example, as Table 2 indicates, between 1995-96 and 1997-98 average family income increased by almost $54 a week (after taking out the impact of inflation) while median equivalent disposable family income rose by only $45 a week. Thus, average family income rose by 7.2 per cent while median family income rose by only 6.9 per cent. As a result, the half average income poverty line increased a little more rapidly than the half median income poverty line, leading to an apparently sharper increase in child poverty.

During the same period an unemployed couple with two children and fully dependent upon social security received real allowance increases of 3.3 per cent, thus lagging well behind movements in both average and median family incomes and in average weekly earnings (which rose by 5 per cent over this period). Sole parent pensioners with two children experienced a slightly higher 6 per cent growth rate in their income over the 1995-96 to 1997-98 period, but this is still lower than the movement in general community incomes revealed by the income surveys.

On this basis, we could expect a higher proportion of social security recipients with children to have slipped below the poverty line in 1997-98 than in 1995-96. Figures 2–4 presented earlier suggested that this effect was apparent for some of the types of families examined in those figures. And as figure 10 confirms, this is what happened, with the risk of being in poverty among dependent children living in families whose principal income source was government cash benefits rising from 38.3 per cent in 1995-96 to 40.2 per cent in 1997-98 (using the half average income poverty line).

While pensions are now indexed by whichever is the higher out of Male Total Average Weekly Earnings and the CPI, the dole is indexed only to the CPI. In periods when real earnings are increasing, this means that allowance payments gradually fall further behind movements in community incomes. Prior to 1998, the allowance rate

for unemployed families with children was linked to the pension rate. The impact of this policy change is thus barely apparent in the 1997-98 data, which only covers the period until June 1998. However, subsequent years of the ABS income survey data (which have not yet been released) will show the impact of this policy change more clearly.

Table 4 **Change in economic growth and social security payments (**1997-98 $)

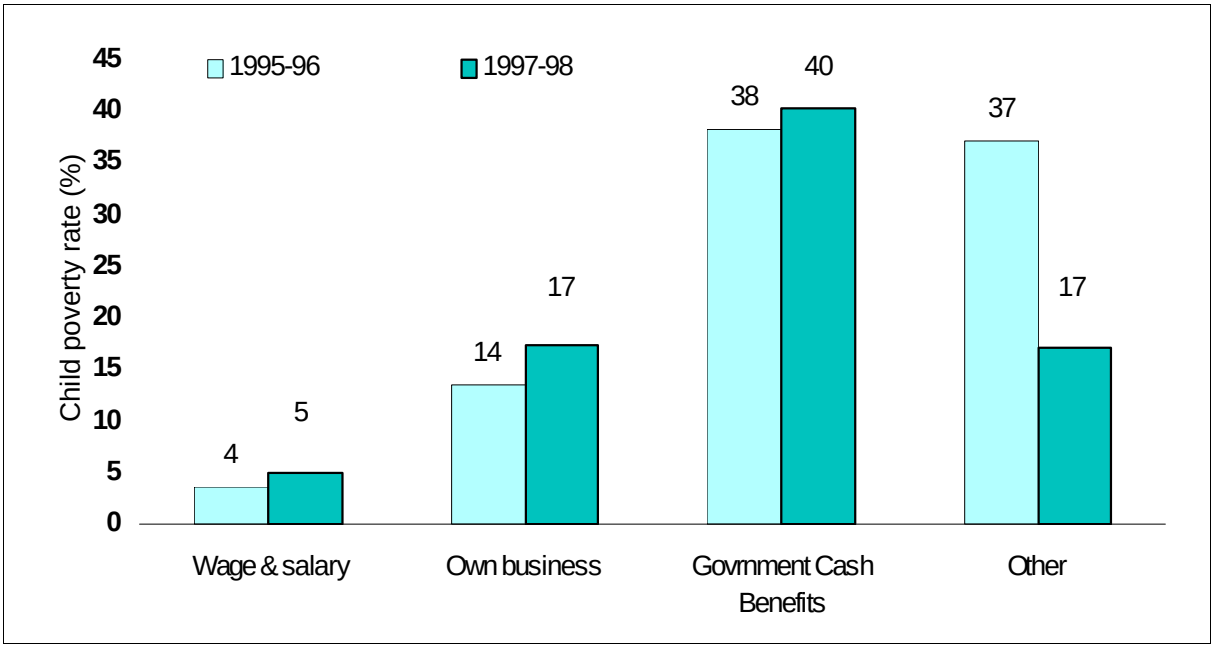
	1995-96	1997-98	$ change	Per cent change 1995-96 to 1997-98
	(a)	(b)	(b-a)	(b-a)/a
Community incomes				
Average equivalent disposable income[a]	$741.62	$795.36	$53.74	7.2%
Median equivalent disposable income[a]	$651.03	$696.24	$45.21	6.9%
Average disposable income[a]	$606.09	$651.20	$45.11	7.4%
Median disposable income[a]	$523.62	$558.00	$34.38	6.6%
Average weekly earnings (AWE)	$564.39	$592.13	$27.74	4.9%
Social security incomes				
Unemployed couple with 2 children	$423.55	$437.70	$14.15	3.3%
Sole parents with 2 children	$322.32	$341.50	$19.18	6.0%

[a] All of these figures are person-weighted.

Note: AWE = Average Weekly Earnings for all employees. All figures have been expressed in real 1997-98 dollars. Social security recipients assumed to receive maximum rates of all allowances and rent assistance.

Data source: Mean and Median Incomes: 1982, 9495-9596, 1996-97 and 1997-98 Income Survey Microdata, ABS, *AWE*: ABS Catalogue no. 6310.0; Social security, FaCS Annual Reports

Figure 10 **Child poverty rates by principal source of family income, 1995-96 and 1997-98**



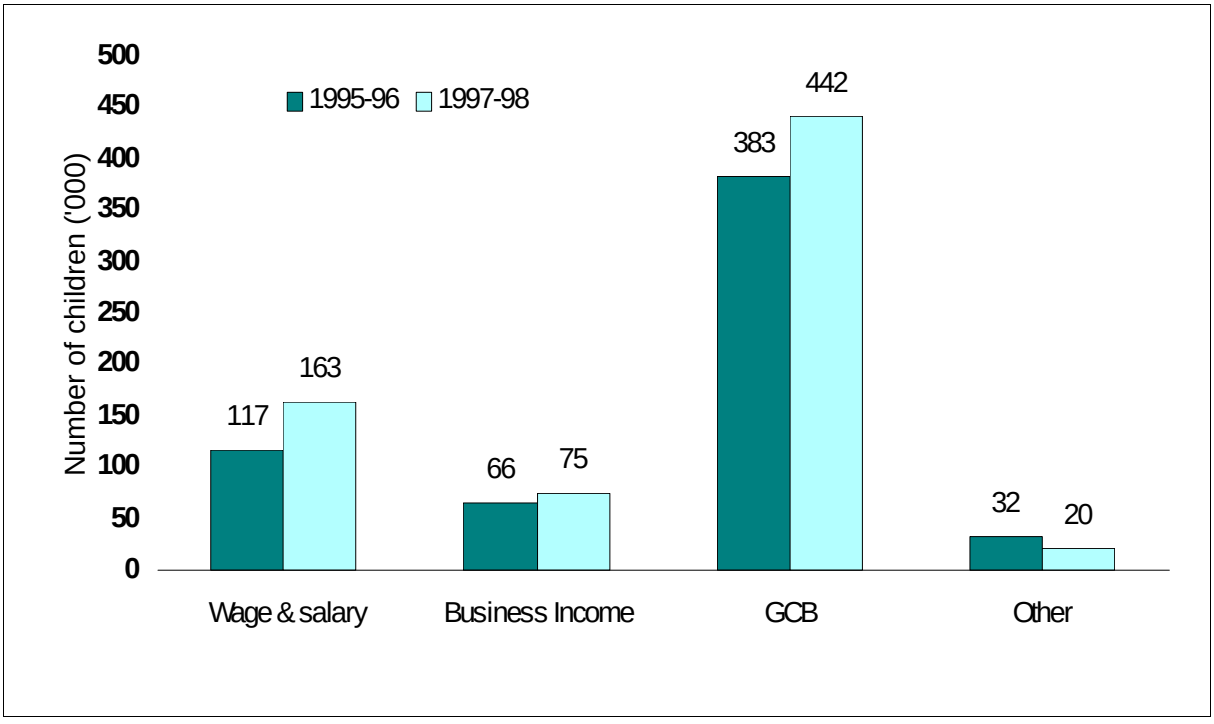
Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM.

Figure 10 also suggests an increase in the likelihood of children living in self-employed families experiencing poverty, up from 14 to 17 per cent — but because relatively few children live in self-employed families this still represents only another 9 000 children in poverty (Figure 11).

Another of the most interesting features revealed in figure 10 is the increased likelihood of children being in poverty when they live in families whose principal income source is wages and salaries — up from 3.6 per cent in 1995-96 to 5 per cent in 1997-98. Poverty among dependent children living in working poor families was the fastest growing area of child poverty over the 1995-96 to 1997-98 period. Again using the half average income poverty line, there were an estimated 163 000 children living in working poor families in 1997-98, up by 46 000 on 1995-96 — an almost 40 per cent increase (figure 11). The numerical increase in the number of poor children living in families whose principal income source was government cash benefits was higher, at 59 000, but this represented much slower proportionate growth than for children in working poor families.

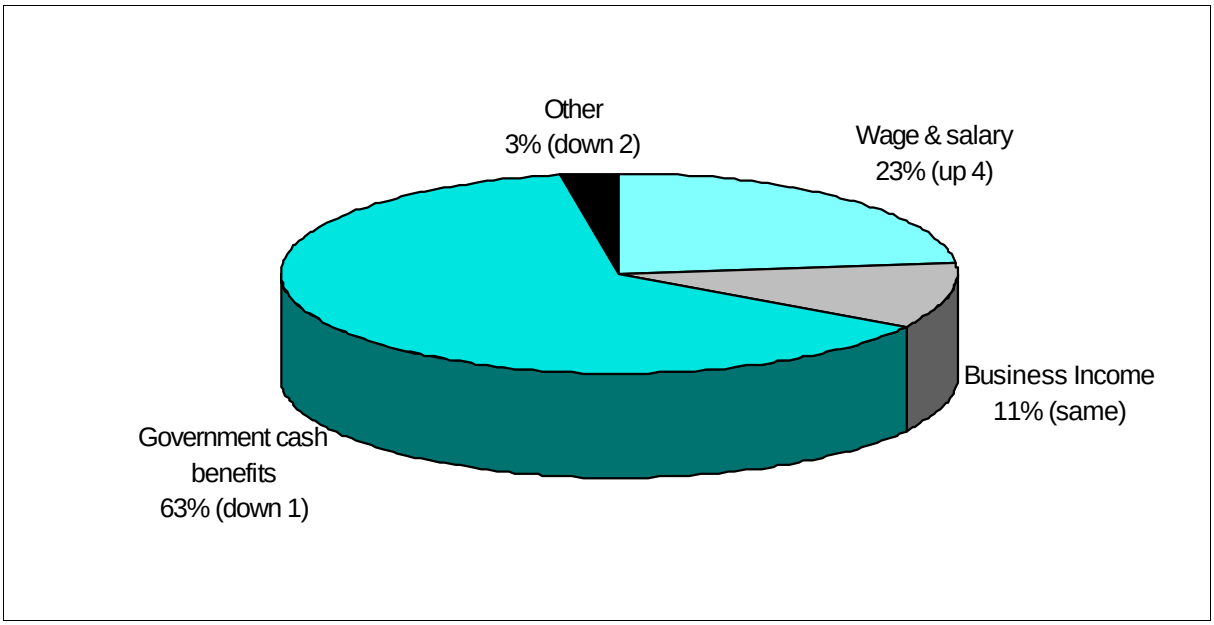
As a result of these trends, children living in working poor families represented almost one-quarter of all dependent children in poverty by 1997-98 (figure 12). This was a striking 4 percentage point increase on the picture apparent in 1995-96. By 1997-98, children living in families whose principal income source was government cash benefits accounted for 63 per cent of all dependent children living in poverty.

Figure 1 **Number of children in poverty by principal family income source, 1995-96 and 1997-98.**



Data source: ABS 1995-1996 and 1997-98 income survey microdata.

Figure 12 **Principal family income sources of children in poverty in 1997-98 (and percentage point change since 1995-96)**



4.2 Sampling error

As noted in Section 2, the sample size for the 1996-97 and 1997-98 ABS income surveys is relatively small, at about 9000 income units. (The effective sample size for the 1995-96 results was higher than this, because the ABS combined the 1994-95 and 1995-96 surveys using static microsimulation techniques.) One of the results of such small sample size is that there is a greater degree of uncertainty (or standard error) attached to the poverty estimates presented in this paper.

To illustrate this issue, although we did not present estimates of poverty for 15–18 year olds living away from their parental home in table 1, the apparent poverty rate for this group (using the half average poverty line) fluctuated from 36 per cent in 1995-96 to 19 per cent in 1996-97 to 45 per cent in 1997-98. As there were only an estimated 21 000 such income units in poverty in 1997-98, this fluctuation was clearly a result of sampling error. This underlines the importance of treating all of the estimates in this paper with some caution — but particularly those for 1996-97 and 1997-98.

Given the estimate of 700 000 children in poverty in 1997-98 (using the half average income poverty line), there are two chances in three that the real rate of poverty lies between about 673 000 and 727 000 children and nineteen chances in 20 that the true estimate lies between about 645 000 and 755 000. Similarly, for the 435 000 children estimated to be in poverty in 1997-98 (using the half median income poverty line), there are two chances in three that the true figure lies between about 412 000 and

about 458 000 and nineteen chances in 20 that the true figure lies between about 390 000 and 480 000. The lower bound of this latter figure is very close to the 1995-96 estimate of 388 000 children in poverty (table 1) — which is also of course itself subject to sampling error.

5 After-housing costs poverty

As noted earlier, another area of continuing debate is the impact of housing costs on poverty rates. The nub of the problem is that home purchasers and private renters typically have higher housing costs than do home owners and public renters. People with similar incomes may thus have quite dissimilar standards of living if their housing costs are very different. There is thus a case for examining poverty rates based on disposable income after housing costs have been met. However, it can also be argued that housing costs are to some extent discretionary and that high housing costs can sometimes represent high levels of saving (via mortgage repayments) rather than high unavoidable costs. There is also some question about whether the 'unavoidable costs' principle should not be extended to other items, such as mandatory child support payments and child care costs (Citro and Michael 1995).

Housing is, however, a very significant component of most families' budgets and a necessity of life. Previous research has shown that using an after-housing measure of poverty is likely to make an important difference to child poverty estimates because couples with children have higher than average housing costs and sole parents have lower than average costs (Landt and King 1996, p. 5).

Suppose we set a poverty line at half of the average *after-housing* equivalent income of families, rather than half of the average *before-housing* income as we have done until now. As table 5 shows, when using half average before-housing income as the poverty line, child poverty fell from 17 to 14 per cent from 1982 to 1997-98. But, using half average after-housing income as the poverty line, child poverty changed little — from 22 per cent in 1982 to 21 per cent in 1995-96.

Table 5 **Estimated before-housing and after-housing child poverty rates 1982 and 1997-98.**

	All dependent children				Dependent children under 15			
	Before housing		After housing		Before housing		After housing	
	1982	1997-98	1982	1997-98	1982	1997-98	1982	1997-98
	%	%	%	%	%	%	%	%
Henderson	19	23	19	24	20	24	19	26
Half average	17	14	22	21	18	15	23	22
Half median	13	9	18	15	13	9	19	16
OECD	16	10	19	17	17	11	20	18

Source: ABS, 1982 and 1997-98 income survey microdata.

As table 5 indicates, after-housing poverty rates are generally higher than before-housing poverty rates — and they have generally declined by less than before-housing poverty rates over the 1982 to 1997-98 period. We found the same trend in earlier work looking at the 1982 to 1995-96 period and, after further exploration, concluded that this reflected a change in the composition of children living in poverty — with children living in working poor families tending to move into poverty and having higher housing costs than the social security families whom they replaced (Harding and Szukalska, 2000).

6 Poverty gaps

The head count measures of poverty are notoriously sensitive to small movements in the poverty line. Many consider an equally important measure of poverty to be the 'poverty gap'. This measures the depth of poverty, and shows how far below the poverty line those families who are in poverty are.

Using the half average income poverty line, our analysis suggests a very slight real decrease in the depth of before-housing child poverty between 1982 and 1997-98. In 1982, children with family incomes below the half average income poverty line were on average $123 a week below that poverty line (expressed in 1997-98 dollars). By 1997-98 they were $117 a week below the same poverty line. Looked at another way, in 1982 those children in poverty were in families whose incomes were 31 per cent below their poverty line on average; by 1997-98 children in poverty were in families whose incomes were 28 per cent below their poverty line on average. Using this measure of poverty, there has thus been a decline in the intensity of child poverty over the 1982 to 1997-98 period.

Table 6 **Average weekly poverty gaps in 1982 and 1997-98**

	Poverty gaps (in 1997-98 dollars)			
	1982	1997-98	1982	1997-98
	%	%	$	$
Henderson	31	25	127	125
Half average	31	28	123	117
Half median	34	33	120	122
OECD	32	32	120	123

Source: ABS,1982 and 1997-98 Income Survey microdata.

7 Conclusions

Child poverty fell over the 1982 to 1997-98 period, using poverty lines set at consistent proportions of community incomes (as measured by the ABS income surveys). The magnitude of this fall varied depended upon the poverty line used. Poverty rates using the 'half average income' poverty line fell by less than those resulting from use of the 'half median income' poverty lines. This is because average incomes increased more rapidly than middle incomes over this period, driven partly by strong growth in incomes at the top end of the income spectrum.

One of the reasons for the fall in child poverty during this 16-year period was the introduction of — and then growing generosity of — programs to assist low income working families with children. There were also real increases in social security pensions and allowances. Another reason was the introduction of the child support scheme, which we estimated lifted about 60,000 children out of poverty in 1997-98.

There also appeared to be an increase in child poverty rates over the 1995-96 to 1997-98 period although, again, this apparent increase was stronger when the poverty line was set at half average income rather than half median income. And, again, this was partly due to average income increasing more rapidly than median income during these two years. The incomes of unemployed families with children fully dependent on social security increased by much less than both average and median community incomes during this period, and this was one of the factors underlying an increase in the number of poor children living in families dependent upon social security. The results also suggested a striking rise in the poverty risk faced by children living in families whose principal income source was wages and salaries. As a result, by 1997-98 almost one-quarter of all children in poverty lived in working poor families. However, all of these results should be treated with some caution, given the possibility of sampling error created by the small sample size of the 1996-97 and 1997-98 ABS income surveys.

After-housing poverty declined by less than before-housing poverty over the 1982 to 1997-98 period. Our earlier work suggested that this was due to a change in the characteristics of children in poor families, with some social security dependent families with relatively low housing costs being lifted above the poverty line and being replaced by working poor families with relatively higher housing costs (because they were purchasing their own home).

Finally, the depth of child poverty apparently declined over the 16 years to 1997-98. On average, in 1997-98 poor children lived in families whose income was 28 per cent below the poverty line. This was an improvement on both the 31 per cent below recorded in 1982 and the 30 per cent below recorded in 1995-96. (using the half average income poverty line).

A Detailed tables

Table A1 **Before-housing child poverty rates by family characteristics using four poverty lines**

	Henderson			Half Average			Half Median			OECD		
	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	%	%	%	%	%	%	%	%	%	%	%	%
Gender of reference person												
Male	16	21	20	15	11	13	11	7	8	13	9	10
Female	50	43	39	44	20	24	33	12	14	41	18	14
Age of reference person												
21–24	27	32	27	24	16	18	14	10	14	25	15	17
25–29	22	25	30	19	14	17	14	10	7	20	14	11
30–34	19	29	23	17	13	14	13	9	9	15	12	10
35–39	20	24	23	18	13	14	14	8	7	16	10	9
40–44	19	22	23	17	13	15	12	9	11	15	10	11
45–49	18	19	17	16	8	10	13	6	7	14	7	9
50–54	16	19	22	13	7	17	9	4	11	12	4	14
55–59	21	25	30	17	16	16	12	10	7	17	10	12
60+	37	50	33	32	42	3	22	20	-	32	39	-

(Continued on next page)

Table A1 **Before-housing child poverty rates by family characteristics using four poverty lines** (continued)

	Henderson			Half Average			Half Median			OECD		
	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	%	%	%	%	%	%	%	%	%	%	%	%
Marital status of parents												
Married or de-facto	17	21	20	15	11	13	11	7	8	14	9	10
Separated or divorced	47	41	35	42	21	20	31	12	10	39	15	8
Never married	37	46	47	30	20	29	21	11	20	30	20	23
Age of dependent children												
0–4 years	18	24	22	17	12	13	18	8	8	17	11	11
5–9 years	21	27	25	19	15	16	19	9	10	17	12	10
10–14 years	21	25	25	18	13	16	19	8	10	16	10	11
15–18 years	18	21	20	16	11	12	16	7	8	14	7	8
19–24 years	9	13	13	8	5	8	8	3	6	6	5	8
Number of dependent children												
One	14	19	17	12	11	10	8	7	6	9	7	5
Two	15	19	20	13	11	11	10	7	7	12	8	7
Three	21	26	24	18	12	16	15	8	11	17	10	13
Four	31	39	36	27	21	27	20	13	16	26	22	22
Five or more	52	50	46	50	19	24	37	9	12	49	23	28
Number of parental earners												
Nil	73	68	64	67	36	40	50	21	21	68	31	31
One	11	19	17	10	9	9	7	6	6	9	8	6
Two	12	12	11	11	7	8	8	5	6	8	5	6

(Continued on next page)

Table A1 **Before-housing child poverty rates by family characteristics using four poverty lines** (continued)

	Henderson			Half Average			Half Median			OECD		
	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	%	%	%	%	%	%	%	%	%	%	%	%
Principal source of weekly income												
Wage & salary	5	10	8	4	4	5	3	2	3	3	3	3
Own business	21	25	23	19	14	17	13	8	12	14	9	12
Govt cash benefits	79	69	66	73	38	40	57	24	24	72	33	31
Other	52	42	18	49	37	17	43	31	16	45	36	16
Tenure type												
Owner	21	20	24	19	13	16	14	6	11	15	10	12
Purchaser	12	16	15	10	9	10	8	16	6	10	7	7
Public renter	44	61	44	40	27	22	27	19	10	39	23	16
Private renter	30	33	28	26	15	16	19	27	11	24	13	12
Other	33	36	46	30	15	32	24	11	21	33	20	29
State of usual residence												
New South Wales	20	25	25	18	13	16	14	8	11	17	11	12
Victoria	19	23	20	18	11	14	13	6	9	17	8	9
Queensland	21	25	23	19	13	13	14	9	7	16	12	8
South Australia	17	25	26	15	13	17	11	9	9	14	11	12
Western Australia	19	25	21	17	14	14	13	10	9	14	13	10
Tasmania	18	25	25	16	12	11	10	6	5	14	8	10
ACT & NT	11	20	14	11	10	7	9	8	4	10	8	5

a Includes incomes from partnerships, superannuation, interest, dividends, bonds and rent. Some families had zero income and thus did not have a principal income source.
b Includes rent-free and board-free.

Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM

Table A2 **Before-housing child poverty number of characteristics using four poverty lines**

	Henderson			Half Average			Half Median			OECD		
rr	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	’000	’000	’000	’000	’000	’000	’000	’000	’000	’000	’000	’000
Gender of reference person												
Male	622	866	835	557	456	526	420	303	332	508	368	406
Female	187	297	285	166	142	173	123	85	104	155	123	103
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*
Age of reference person												
21–24	29	50	34	25	19	22	15	12	17	27	18	21
25–29	92	94	110	83	52	62	61	38	27	84	50	40
30–34	164	252	185	147	115	114	113	74	75	134	106	84
35–39	204	292	274	187	160	175	145	96	88	162	119	109
40–44	152	242	256	132	142	170	97	99	128	120	13	125
45–49	83	133	123	78	59	70	62	41	51	67	48	61
50–54	41	55	80	33	19	62	23	10	38	32	11	49
55–59	22	20	39	18	13	20	13	8	9	18	8	16
60+	21	22	15	18	19	2	13	9	0	19	17	0
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*

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Table A2 **Before-housing child poverty number of characteristics using four poverty lines** (continued)

	Henderson			Half Average			Half Median			OECD		
rrr	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	’000	’000	’000	’000	’000	’000	’000	’000	’000	’000	’000	’000
Marital status of parents												
Married or de-facto	619	835	810	554	436	516	419	295	327	505	364	402
Separated or divorced	166	240	188	149	124	107	111	71	56	137	90	46
Never married	25	87	122	20	39	76	14	21	52	20	38	61
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*
Child’s age group												
0–4 years	190	311	292	173	152	179	123	107	112	175	147	152
5–9 years	238	359	315	216	192	203	164	123	122	195	157	131
10–14 years	271	327	332	238	169	209	177	105	126	209	129	144
15–18 years	100	144	149	88	76	89	72	47	59	76	50	63
19–24 years	11	22	31	9	9	19	7	5	16	7	8	20
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*
Number of children in the family												
One	105	171	173	90	96	100	57	62	60	71	64	52
Two	245	388	390	220	216	226	165	138	147	204	156	145
Three	244	340	311	217	154	210	175	105	136	199	134	163
Four	118	175	148	103	95	111	77	60	67	97	97	90
Five or more	98	89	98	94	34	52	70	17	25	92	41	59
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*

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Table A2 **Before-housing child poverty number of characteristics using four poverty lines** (continued)

	Henderson			Half Average			Half Median			OECD		
rr	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Number of parental earners												
Nil	389	550	549	354	288	345	263	160	184	359	253	264
One	237	350	322	203	170	169	148	118	120	180	139	117
Two	184	262	249	167	141	185	133	101	132	124	100	128
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*
Principal source of weekly income												
Wage & salary	137	314	277	108	117	163	70	78	106	90	89	100
Own business	162	121	100	144	66	75	103	40	52	109	46	53
Govt cash benefits	467	692	721	431	383	442	334	243	259	426	325	338
Other	44	36	21	42	32	20	36	31	19	39	31	18
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*
Tenure type												
Owner	194	257	273	176	158	185	131	73	127	144	122	137
Purchaser	251	345	344	222	187	234	179	354	140	203	144	162
Public renter	115	219	161	106	98	82	70	67	36	101	84	58
Private renter	191	294	284	167	135	159	122	243	106	156	116	115
Other	59	48	58	53	20	41	43	15	26	58	26	37
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*

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Table A2 **Before-housing child poverty number of characteristics using four poverty lines** (continued)

	Henderson			Half Average			Half Median			OECD		
r	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
State of usual residence												
New South Wales	288	402	408	258	215	254	196	136	175	238	174	200
Victoria	213	281	241	196	132	164	145	73	106	184	96	115
Queensland	136	214	215	120	110	125	90	85	63	104	100	80
South Australia	64	90	102	54	47	65	42	31	36	52	41	47
Western Australia	73	117	105	65	65	69	48	44	46	56	59	48
Tasmania	22	132	30	20	16	14	13	8	5	18	10	12
ACT & NT	12	26	19	12	13	9	10	10	5	11	10	7
Total	*810*	*1163*	*1120*	*724*	*598*	*700*	*544*	*388*	*435*	*663*	*491*	*509*

Table A3 **After-housing child poverty rates by family characteristics using four poverty lines**

	Henderson			Half Average			Half Median			OECD		
rr	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	%	%	%	%	%	%	%	%	%	%	%	%
Gender of reference person												
Male	16	23	21	19	19	18	16	14	13	16	14	14
Female	45	43	41	52	34	34	43	25	24	50	33	29
Marital status of parents												
Married or de-facto	16	23	21	19	19	18	16	14	13	16	14	14
Separated or divorced	42	39	38	49	33	33	41	25	22	47	28	25
Never married	30	36	43	34	33	35	30	22	27	37	38	37
Child's age group												
0–4 years	19	27	23	22	23	20	18	17	15	22	21	19
5–9 years	20	30	29	24	25	24	19	18	17	20	19	18
10–14 years	20	25	26	23	21	22	19	14	16	19	15	17
15–18 years	17	20	17	19	17	16	16	13	12	15	11	11
19–24 years	8	14	17	10	10	17	8	9	12	7	8	10
Number of children in the family												
One	12	21	18	15	18	16	12	14	12	14	15	13
Two	15	22	22	17	18	18	14	13	14	15	14	15
Three	21	29	26	24	24	23	20	19	17	20	20	16
Four	30	36	35	35	30	31	29	19	23	29	29	29
Five or more	44	42	40	56	33	37	43	21	17	49	32	25

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Table A3 **After-housing child poverty rates by family characteristics using four poverty lines**

	Henderson			Half Average			Half Median			OECD		
r	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98	1982	1995-96	1997-98
	%	%	%	%	%	%	%	%	%	%	%	%
Number of parental earners												
Nil	64	62	60	72	53	52	62	38	37	74	50	48
One	12	23	21	15	18	18	11	13	13	12	14	13
Two	12	15	13	15	12	11	12	9	9	10	7	7
Principal source of weekly income												
Wage & salary	6	13	12	8	11	10	5	7	7	5	7	8
Own business	22	27	23	27	22	20	22	16	15	19	15	13
Govt. cash benefits	71	64	60	79	54	53	69	40	38	78	50	45
Other	44	43	26	44	41	18	43	36	17	46	36	17
Tenure type												
Owner	12	13	14	16	10	12	11	6	10	12	7	9
Purchaser	15	25	21	18	21	18	15	16	14	15	16	15
Public renter	37	44	34	44	30	25	37	19	11	45	26	16
Private renter	32	41	41	36	36	35	31	27	25	33	32	29
Other	21	14	23	23	14	19	19	11	16	20	11	8

a Includes incomes from partnerships, superannuation, interest, dividends, bonds and rent. Some families had zero income and thus did not have a principal income source.
b Includes rent-free and board-free.

Source: ABS 1982, 1994-95 and 1995-96, 1996-97 and 1997-98 Income Survey Data, as modified by NATSEM.

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