

Ex-serving ADF members' income and sources of income

Web report | Last updated: 06 Mar 2024 | Topic: [Veterans](#)

About

Using linked data, this report investigates the income circumstances of ex-serving Australian Defence Force (ADF) members. The analysis expands information on the veteran-centred model's income and finance domain, as part of an ongoing body of work in partnership with the Department of Veterans' Affairs. This report is based on ex-serving ADF members who had at least one day of service on or after 1 January 2001 and uses multiple data sources to inform income outcomes.

Cat. no: PHE 321

- [Disclaimer](#)
- [Data](#)

Findings from this report:

- [Ex-serving ADF members had higher levels of income compared with the Australian population](#)
 - [Ex-serving ADF members were less likely to earn income from businesses than the Australian population](#)
 - [Ex-serving ADF members who separated for medical reasons were more likely to report receiving annuity or superannuation](#)
 - [ADF member households were less likely to report financial stress than non-ADF member households](#)
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Disclaimer

The results of the analyses in this report are based, in part, on data supplied to the Australian Bureau of Statistics (ABS) under the *Taxation Administration Act 1953*, *A New Tax System (Australian Business Number) Act 1999*, *Australian Border Force Act 2015*, *Social Security (Administration) Act 1999*, *A New Tax System (Family Assistance) (Administration) Act 1999*, *Paid Parental Leave Act 2010* and/or the *Student Assistance Act 1973*. Such data may only be used for the purpose of administering the *Census and Statistics Act 1905* or performance of functions of the ABS as set out in section 6 of the *Australian Bureau of Statistics Act 1975*. No individual information collected under the *Census and Statistics Act 1905* is provided back to custodians for administrative or regulatory purposes. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes and is not related to the ability of the data to support core operational requirements of the Australian Taxation Office, the Australian Business Register, the Department of Social Services and/or the Department of Home Affairs.

Legislative requirements to ensure privacy and secrecy of these data have been followed. For access to MADIP data under section 16A of the *Australian Bureau of Statistics Act 1975* or enabled by section 15 of the *Census and Statistics (Information Release and Access) Determination 2018*, source data are de-identified and so data about specific individuals has not been viewed in conducting this analysis. In accordance with the *Census and Statistics Act 1905*, results have been treated where necessary to ensure that they are not likely to enable identification of a particular person or organisation.

This report examines income support payments in addition to other sources of income. A range of payments by Services Australia and Department of Veterans' Affairs (DVA) are considered income support payments (DVA n.d.; Services Australia 2022). For this report, income support payments are limited only to those paid by Services Australia and do not include payments from DVA. Care needs to be taken when interpreting results, and findings should not be generalised to whole-of-government income support.

References

DVA (Department of Veterans' Affairs) (n.d.) *Income support*, DVA, Australian Government, accessed 10 May 2023.

Services Australia (2022) *Income support payment*, Services Australia, Australian Government, accessed 2 May 2023.



Summary

This report contributes to the understanding of ex-serving Australian Defence Force (ADF) members' financial situations, including household financial status and income sources after separation from the ADF. Specifically, household income and financial stress, personal income and income support paid by Services Australia was explored using data available in the Multi-Agency Data Integration Project (MADIP) and the Survey of Income and Housing (SIH). A range of payments by Services Australia and/or Department of Veterans' Affairs (DVA) are considered income support payments (Services Australia 2022; DVA n.d.). For this report, income support payments are limited to those paid by Services Australia and do not include payments from DVA.

Findings from this report show that the majority of ex-serving ADF members were doing relatively well financially from 2013-14 through to 2019-20. Many had higher personal and household income and experienced less financial stress than the Australian population. Fewer were receiving income support paid by Services Australia than the Australian population, although it is not known if or to what extent payments from DVA may have affected this.

It is important to note however this was not the case for everyone. Those who separated involuntarily for medical reasons had lower household income and received a higher percentage of income from superannuation or annuity (also known as a lifetime or fixed-term pension) than those who separated for any other reason. Ex-serving ADF females had lower personal income than ex-serving ADF males, which is similar to the pattern seen in the Australian population. Those who served fewer years also had lower household and personal income when compared with those who served longer. Overall, ex-serving ADF members were less likely to earn an income from businesses compared with the Australian population.

The nature of ADF service exposes members to both protective and risk factors that may impact their and their family's financial wellbeing, employment and income options once they separate from the ADF. While the situation is not well researched in Australia, internationally, multiple deployments have been shown to disrupt family life, which can reduce financial wellbeing and increase financial strain (Elbogen et al. 2012). The same research identified the following potential challenges faced by veterans: achieving a sense of material security, being able to make ends meet, being able to grow financially through work, and possessing the knowledge and skills for money management (Elbogen et al. 2012). In Australia, the DVA and Department of Defence have programs available to Australian veterans to assist with financial planning and management.

Findings from this report show that:

- In 2016, the median equivalised total household income was higher for ex-serving ADF member households (\$1,000-\$1,249 per week) compared with Australian households (\$800-\$999 per week).
- Median personal total income (as reported on personal tax returns) was higher for ex-serving ADF males (\$77,700) and females (\$58,200) compared with Australian males (\$57,600) and females (\$41,200) for the 2017-18 financial year. The difference remains when age is taken into consideration.
- In 2017-18, 9.8% of ex-serving ADF males and 13% of ex-serving ADF females received income support paid by Services Australia; this was lower than the Australian population (23% and 29%, respectively), however it is not known if or to what extent payments from DVA may have impacted this.
- Ex-serving ADF members, who separated involuntarily due to medical reasons were more likely to report receiving income from annuity or superannuation compared with those who separated voluntarily for the financial year 2017-18. This occurred across all age groups.
- Across 2013-14 to 2017-18, ex-serving ADF members were less likely to earn income from businesses compared with the Australian population.
- Current and ex-serving ADF member households (72%) were more likely to report experiencing no financial stress than non-ADF member households (64%).

References

DVA (Department of Veterans' Affairs) (n.d.) *Income support*, DVA, Australian Government, accessed 10 May 2023.

Elbogen E, Johnson S, Wagner H, Newton V & Beckham J (2012) 'Financial well-being and post-deployment adjustment among Iraq and Afghanistan war veterans'. *Military Medicine* 177:669-75, doi:10.7205/milmed-d-11-00388.

Services Australia (2022) *Income support payment*, Services Australia, Australian Government, accessed 2 May 2023.

Introduction

Overview

The Australian Institute of Health and Welfare (AIHW) has undertaken analysis to provide an overview of the income and income sources of ex-serving Australian Defence Force (ADF) members. The analysis compares the cohort of ex-serving ADF members who had at least one day of service on or after 1 January 2001 with the general Australian population where possible (AIHW 2022).

The aim of this project is to improve understanding of the demographic and service-related characteristics associated with ex-serving ADF members' income and income sources.

Background

A person's financial wellbeing results from a complex interplay between biological, lifestyle, socioeconomic, societal, and environmental factors, many of which can be modified to some extent by health care, welfare support and other interventions (The Department of Health and Aged Care 2021).

The term 'veteran' traditionally described former ADF personnel who were deployed to serve in war or war-like environments. Veterans are now considered people who have any experience in the ADF including permanent, reserve, and former (ex-serving) personnel (Parliament of Australia 2019).

A person's wellbeing is influenced by many factors, but having an adequate income remains an essential component in measuring individual and household wellbeing. Income per person and household income are also listed as metrics of economy, wellbeing, and prosperity in the Measuring What Matters Framework - Australia's first wellbeing framework produced by the Department of Treasury (2023). Adequate levels of income can help Australians to better support themselves, their families and their communities more broadly. For most people, income can be an indicator of their ability to, week by week, access food, clothing, education, housing or leisure activities. A person's income is influenced by their economic circumstances - in particular, employment and type of employment, hours worked, occupation, and government support through Australia's social security system (AIHW 2021).

Throughout Australia, there are substantial disparities in health outcomes in different populations, and disadvantaged Australians tend to have higher levels of disease risk factors and a lower use of preventive health services (ABS 1999). Further, income affects health and welfare in a more tangible way, such as access to essentials including food, clothing and shelter (Kawachi et al. 2010).

Other financial factors that can impact wellbeing include levels of savings, assets, investments, and levels of liabilities such as debts and loans. Therefore, the income sources examined in this report are one component of the overall financial situations of ex-serving ADF members.

This project was funded by the Department of Veterans' Affairs (DVA) as part of the [strategic partnership](#) between DVA and AIHW.

About the research project

This report relies on data integration to bring together the Department of Defence (Defence) personnel data held at AIHW with data held at the Australian Bureau of Statistics (ABS) from the Multi-Agency Data Integration Project (MADIP) and the 2019-20 Survey of Income and Housing (SIH). The MADIP data presented in this report are based on the 2013-14 to 2017-18 financial years' personal income tax and government social security payment data, and the 2016 Census.

This report uses the same linked Defence data in MADIP as [Understanding the wellbeing characteristics of ex-serving ADF members](#) (AIHW 2022). The ex-serving ADF population includes those members who had at least one day of service on or after 1 January 2001 and were ex-serving as of 20 September 2020.

Included in this report

This report examines information on measures that provide an overview of the income and income sources of ex-serving ADF members. The analysis explores household income, personal income and income sources (such as salaries and superannuation), and income support payments paid through Services Australia. The information on financial stress in this report relates to current-serving ADF members as well as ex-serving ADF members.

Information in this report is presented by demographic factors of age, sex and geographic location, and ADF service characteristics including service (Navy, Army, Air Force), rank, length of service, time since separation and reason for separation.

The analysis includes frequency tabulations and statistical modelling. The modelling considers the association between various demographic and service characteristics of ex-service ADF members and a binomial outcome, such as whether ex-serving ADF members received business income.

Trend analysis was also performed for personal income and income support payments to capture changes over time.

This report analysed Department of Defence personnel data, Census data, Australian Tax Office personal income tax (PIT) data, Services Australia payment data, and data from the Survey of Income and Housing. As the data sources are different on important characteristics (for example, time period, income variables, and options for linkage), it was not possible to obtain a single cohort for all data sources. Therefore, for each sub-income topic (for example, household income, personal income and income sources), a different cohort was examined. Details are provided in the 'Included in this analysis' sections.

Not included in this report

This report does not include data on some areas that may be relevant to income and income sources in the ADF-member population and would benefit from further exploration. For example, data are not included on income support payments from DVA, which is a key component of income support for many ex-serving ADF members. Further discussions with DVA are underway to investigate the possibility of including these DVA payments data in future iterations of this work.

Due to limitations in the Department of Defence personnel records, this study population does not include ADF members separated before 1 January 2001. Future analysis could explore expanding to capture income outcomes of this older ADF members cohort with the Department of Defence.

PIT data in MADIP only records taxable income. As such, analyses on total personal income or loss, and government pensions and allowances in this report do not include some tax-free DVA pensions and benefits (for example, invalidity service pension where the veteran is aged below age-pension age and some income support supplement and veteran payments) (ATO 2022a).

References

ABS (Australian Bureau of Statistics) (1999) *Health and socioeconomic disadvantage of area*. ABS, Australian Government, Cat. no. 4102.0. Canberra: ABS.

AIHW (Australian Institute of Health and Welfare) (2021) *Income and Income support*, AIHW, Australian Government, accessed 24 February 2023.

AIHW (2022) *Understanding the wellbeing characteristics of ex-serving ADF members*. Cat. no. PHE 303. AIHW, Australian Government, accessed 6 March 2023.

ATO (Australian Taxation Office) (2022a) *Tax-free government pensions or benefits*, ATO, Australian Government, accessed 28 July 2023.

Department of Treasury (2023) *Measuring What Matters*, Treasury, Australian Government, accessed 7 August 2023.

DHAC (Department of Health and Aged Care) (2021) *National Preventive Health Strategy: 2021-2030*, Australian Government, accessed 14 March 2023.

Kawachi I, Adler N & Dow W (2010) 'Money, schooling, and health: mechanisms and causal evidence'. *Annals of the New York Academy of Sciences*, 1186:56-68, doi:10.1111/j.1749-6632.2009.05340.x.

Parliament of Australia (2017) *'Australian Veterans' Recognition (Putting Veterans and Their Families First) Bill 2019*, APH, Australian Government, accessed 5 January 2024.

Household income

This section explores equivalised total household income, demographic and service-related characteristics of ex-serving ADF members with at least one day of service since 1 January 2001. This work builds on [previous findings](#) about personal income by using equivalised total household income to account for different household sizes, composition, and sharing of income (ABS 2021).

For more information on the ex-serving ADF members population in scope for the analysis of household income, see [Included in this analysis](#).

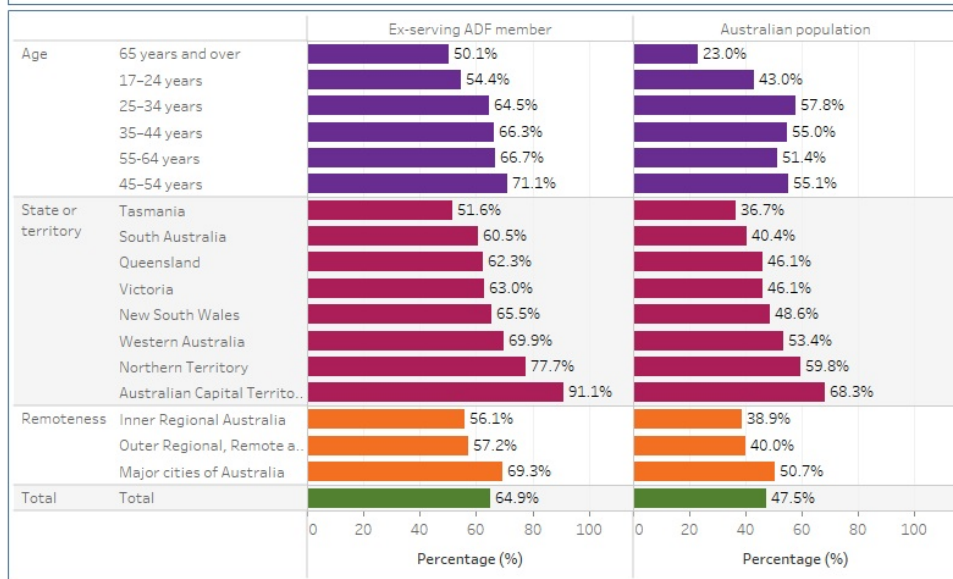
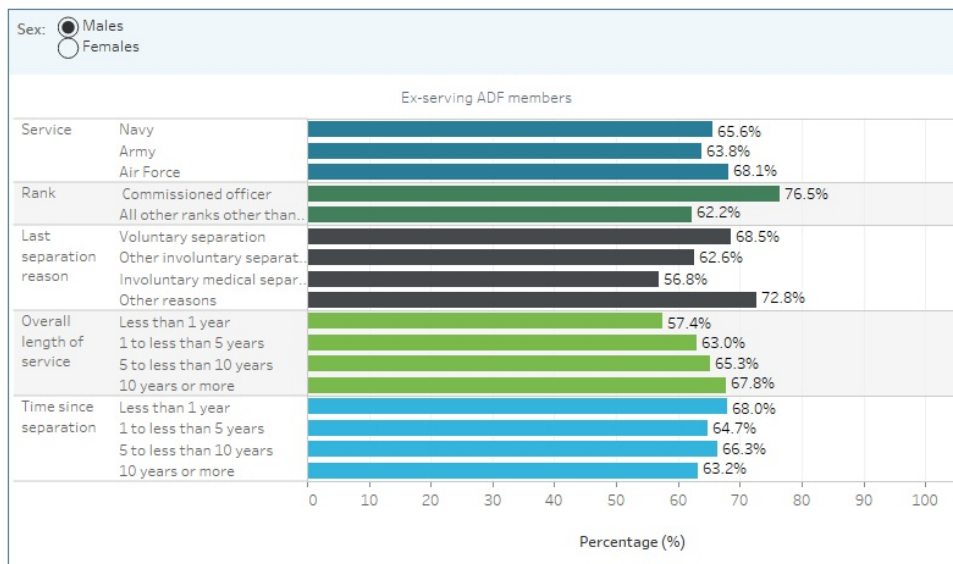
Key findings

- In 2016, ex-serving ADF members had a comparable or higher equivalised total household income compared with the Australian population.
 - The median weekly equivalised total household income category for the Australian population was \$800-\$999, whereas the median category for ex-serving ADF members was \$1,000-\$1,249 in 2016.
- When comparing ex-serving ADF members and the Australian population, higher household income was defined as a 2016 equivalised total household weekly income of \$1,000 or more, which is above the Australian population median.
 - When adjusting for the effects of sex, age, and geographic location (using [binomial logistic regression modelling](#)), the odds of having higher household income were 77% higher (95% CI 74% to 79%) among ex-serving ADF members than the Australian population.
- When comparing among ex-serving ADF members, higher household income was defined as a 2016 equivalised total household weekly income of \$1,250 or more, which is above the ex-serving ADF members' median.
 - [Binomial logistic regression modelling](#) was also conducted to investigate whether there are any service characteristics associated with higher household income among ex-serving ADF members. When adjusting for the effects of other demographic and service characteristics in the model, the odds of having higher household income in 2016 were:
 - 61% lower (95% CI 59% to 63%) for those who separated as Other ranks than those who separated as Commissioned Officers
 - 45% lower (95% CI 41% to 49%) for those who served less than one year than those who served 10 years or more
 - 34% lower (95% CI 30% to 37%) for those who separated involuntarily for medical reasons than those who separated voluntarily
 - 14% lower (95% CI 10% to 19%) for those aged 35 to 44 years than those aged 25 to 34 years. These odds continued to decrease with age.

The interactive data visualisation (Figure 1) presents data on the percentage of ex-serving ADF members who had an equivalised total household income of \$1,000 or more a week in 2016 by service characteristics, in comparison with the Australian population by demographic characteristics.

Figure 1: Percentage of ex-serving ADF members and Australian populations in 2016 whose equivalised total household income was above the Australian population median value, by service and demographic characteristics, Census 2016, PMKeyS

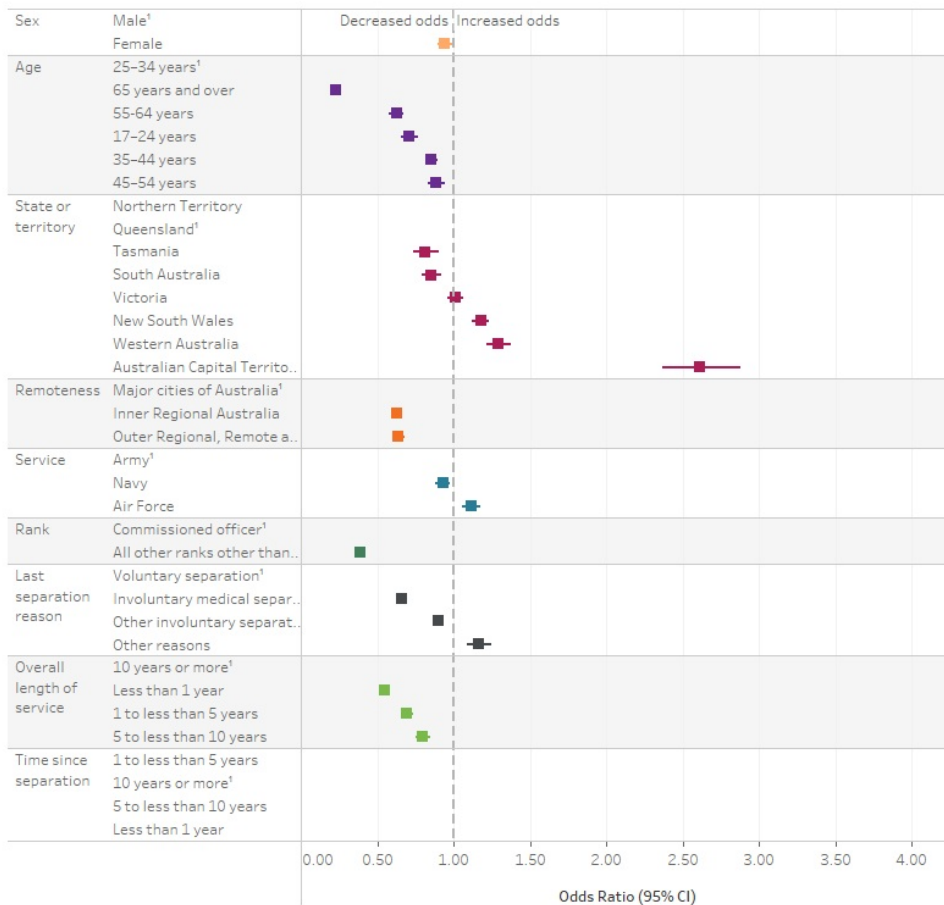
The percentage of ex-serving ADF members was higher than the Australian population and was highest among those who separated as Commissioned Officers.



Sources:
 AIHW analysis of Linked Defence PMKeyS 2001-2016 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2016, Census, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

The interactive data visualisation (Figure 2) presents data on modelled ex-serving ADF members with equivalised total household income of \$1,250 or more a week in 2016 by demographic and service characteristics. Select the Multivariate button to view differences between sub-population groups after adjusting for other factors in the model and use the Univariate button to view unadjusted results.

Figure 2: Univariate and multivariate logistic regression models of having equivalised total household income above the median category for ex-serving ADF members, Census 2016, PMKeyS



Sources:
 AIHW analysis of linked PMKeyS 2001–2016 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2016, Census, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

Included in this analysis

Analysis of household income is based on ex-serving ADF members with at least one day of service since 1 January 2001, who were ex-serving as of 30 June 2016 and alive on 1 August 2016 to ensure they were ex-serving and alive at the time of the 2016 Census. Of these 94,000 ex-serving ADF members, 76,000 ex-serving ADF members aged 17 years or over (81%) linked to the 2016 Census data in MADIP.

This resulted in 73,100 households with at least one member who had served in the ADF of the 8.9 million households in Australia.

Further information on ex-serving ADF members population scope, analysis period and methodology can be found in [Technical notes](#).

Excel source data tables are available from [Data](#).

References

ABS (Australian Bureau of Statistics) (2021) *Equivalised total household income (weekly) (HIED)*, ABS, Australian Government, accessed 6 March 2023.

Household financial stress

Financial stress is defined as having difficulty meeting basic financial commitments due to a shortage of money or debt. It can have severe short- and long-term consequences for individuals, and negatively impact an individual’s health and psychological wellbeing (Department of Education 2023).

In this section, financial stress is compared between current or ex-serving ADF member households and households with no current or ex-serving ADF members using data from the 2019-20 Survey of Income and Housing (SIH).

For more information on the ex-serving ADF population in scope for the analysis of household financial stress, see [Included in this analysis](#).

Key findings

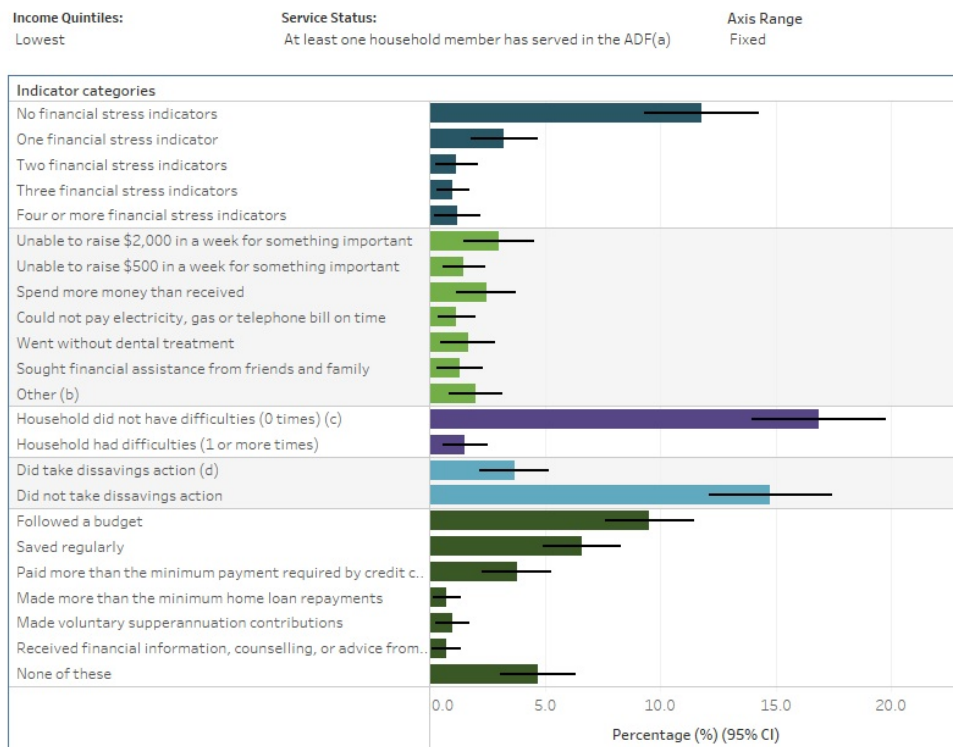
Households with people who had ever served (currently or previously) with the ADF reported less financial stress and more financially resilient actions compared with households comprised of people who had never served with the ADF.

- Overall, households with people who had ever served in the ADF, compared to households comprising people who had never served in the ADF, were:
 - more likely to have no financial stress (72% compared to 64%)
 - less likely to report four or more financial stress indicators (5.4% compared to 9.3%)
 - more likely to take financially resilient actions in the 12 months before the survey, including saving regularly, making voluntary contributions towards superannuation, and receiving financial information, counselling, or advice from a professional.
- Similar results were found when only households in the lowest equivalised disposable household income quintile was analysed compared to when all quintiles were included as above.
- For households in the highest equivalised disposable household income quintile, there was generally no difference between households with or without ADF members.

The interactive data visualisation (Figure 3) presents data on household financial stress. Select from the ‘Service status’ drop-down list to view results for households with current or ex-serving ADF members or households with no current or ex-serving ADF members. Select from the ‘Income Quintiles’ drop-down list to view results by quintile of equivalised total household income.

Figure 3: Percentages of households with current or ex-serving ADF members compared to households with no current or ex-serving ADF members, by equivalised disposable household income quintiles and financial stress indicators, SIH 2019-20

The figure shows that in 2019-20 households with currently serving or ex-serving ADF members reported less financial stress and more financially resilient actions compared with households comprised of people who had never served in the ADF.



Source: ABS 2022. Microdata: Survey of Income and Housing, AIHW analysis of detailed microdata, accessed 24 January 2023. <http://www.aihw.gov.au>

Included in this analysis

In the 2019-20 SIH, there were an estimated:

- 620,000 households with at least one member who has ever served (either currently serving or ex-serving) in the ADF
- 9.1 million households with no members having ever served in the ADF.

Participants of the survey self-reported if they have ever served in the ADF. It is not possible to distinguish between current-serving and ex-serving personnel in the survey.

Further information on SIH can be found in [Technical notes](#).

Excel source data tables are available from [Data](#).

References

Department of Education (2023) *Financial stress*, Department of Education, Australian Government, accessed 6 March 2023.

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Personal income

This section explores personal income of ex-serving ADF members with at least one day of service since 1 January 2001, using personal income tax (PIT) data from 2013-14 to 2017-18.

Because PIT data in MADIP only records taxable income, analyses on total personal income or loss and government pensions and allowances sections in this report do not include some tax-free DVA pensions and benefits (for example, invalidity service pension where the veteran is aged below age-pension age and some income support supplement and veteran payment) (ATO 2022a).

The term 'total personal income or loss', as used in this section is defined in the relevant Glossary entry.

For a snapshot of total personal income including taxed and tax-free amount reported in Census 2016, refer to the previous AIHW report: *Understanding the wellbeing characteristics of ex-serving ADF members* published 1 September 2022 (AIHW 2022).

For more information on the ex-serving ADF members population in scope for the analysis of income, see [Included in this analysis](#).

Ex-serving ADF members' total personal income or loss was higher than the Australian population

- In 2017-18, ex-serving ADF members had a higher total personal income or loss compared with the Australian population aged 17 years and over.
 - The median total personal income or loss of ex-serving ADF members was \$73,900, whereas the median total personal income or loss of the Australian population was \$48,600.
 - Similarly, the median total personal incomes or losses for ex-serving ADF males (\$77,700) and females (\$58,200) were higher compared with Australian males (\$57,600) and females (\$41,200).
- When comparing between ex-serving ADF members and the Australian population, higher total personal income or loss was defined as a total personal income or loss in 2017-18 of \$48,600 or more, which is above the Australian population median.
 - After adjusting for the effects of sex, age, and geographic location (using [binomial logistic regression modelling](#)), the odds of having higher total personal income or loss were 78% higher (95% CI 75% to 81%) for ex-serving ADF members than the Australian population.
- Ex-serving ADF males and females had consistently higher median total personal incomes or losses than Australian males and females, with males' median total personal incomes or losses being higher than females' median total personal incomes or losses across the 2013-14 to 2017-18 financial years.

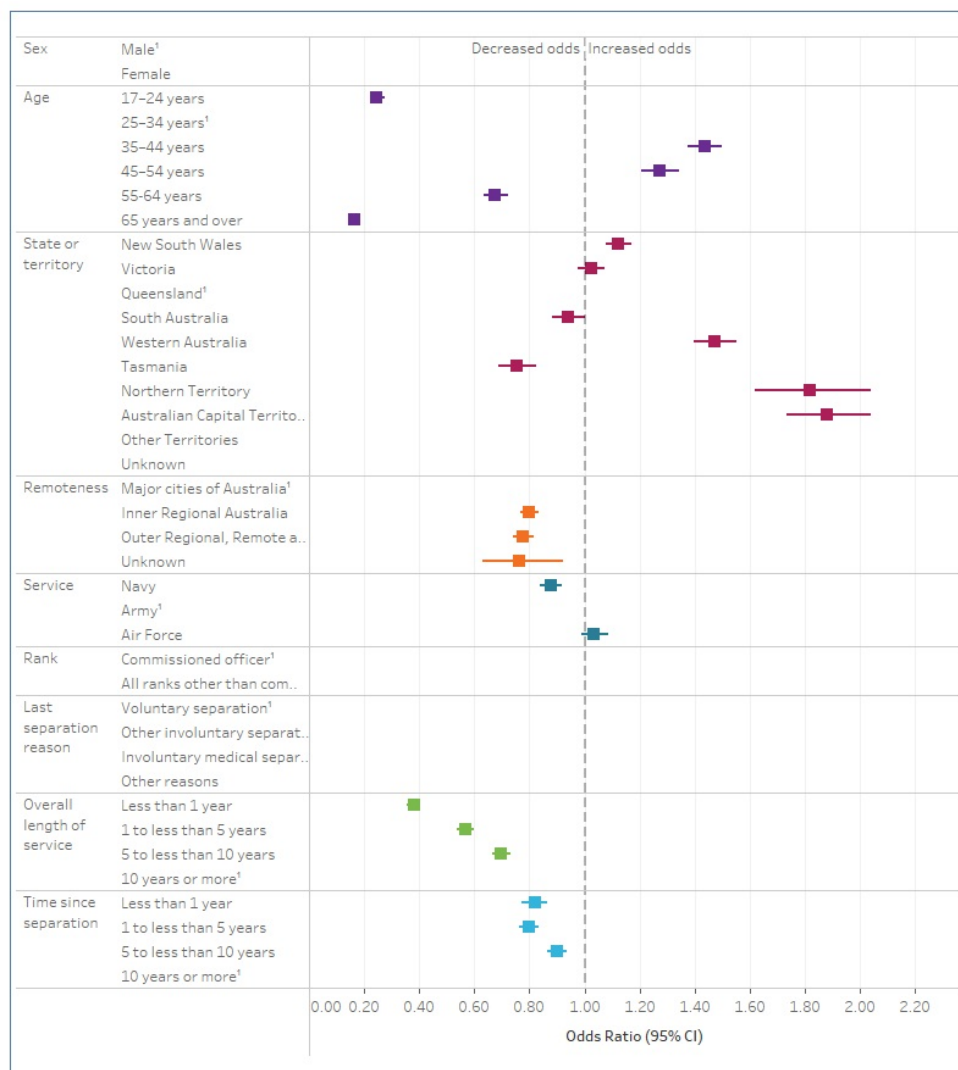
Higher ranks and serving for longer were associated with higher total personal income or loss

- When comparing among ex-serving ADF-members, higher total personal income or loss was defined as a total personal income or loss in 2017-18 of \$73,900 or more, which is above the ex-serving ADF members' median.
 - [Binomial logistic regression modelling](#) was conducted to investigate whether there are any service characteristics associated with higher total personal income or loss among ex-serving ADF members. When adjusting for other demographic and service characteristics in the model, the odds of having higher total personal income or loss in 2017-18 were:
 - 62% lower (95% CI 60% to 64%) for those who served less than one year than those who served 10 years or more.
 - 58% higher (95% CI 34% to 85%) among females who separated as Commissioned Officers who separated involuntarily due to medical reasons than those who separated voluntarily.
 - 37% lower (95% CI 34% to 41%) among males who separated as Other ranks who separated involuntarily due to medical reasons than those who separated voluntarily.
 - higher for those aged 35 to 54 years than those aged 25 to 34 years, but lower for those aged 55 and over than those aged 25 to 34 years.
 - 12% lower (95% CI 8% to 16%) for those who served in the Navy than those who served in the Army.
- Ex-serving ADF members with high median total personal income or loss included those who:
 - were 35-44 years (\$89,200 for males and \$62,700 for females) and 45-55 years (\$94,200 for males and \$67,900 for females)
 - lived in Australian Capital Territory (\$96,700 for males and \$79,300 for females), Northern Territory (\$90,900 for males and \$65,400 for females) and Western Australia (\$92,600 for males only)
 - lived in a major city in Australia (\$81,100 for males and \$61,800 for females)
 - were Commissioned Officers (\$92,600 for males and \$76,500 for females)
 - had length of service of 10 years or more (\$87,100 for males and \$65,000 for females).
- Ex-serving ADF members with low median total personal income or loss included those who:
 - were 17-24 years (\$44,500 for males and \$38,900 for females) and 65 years and over (\$47,600 for males and \$37,800 for females).
 - separated as Other ranks (\$75,600 for males and \$55,400 for females).
 - had length of service of less than one year (\$60,100 for males and \$46,500 for females).
- Male ex-serving ADF members also had lower median total personal incomes or losses if they separated involuntarily, for medical reasons (\$70,600) or other involuntary reasons (\$70,000) than those who separated voluntarily (\$81,200).

The data visualisation (Figure 4) presents data on modelling ex-serving ADF members having total personal income or loss of \$73,900 or more in 2017-18 by demographic and service characteristics. Select the Multivariate button to view difference between sub-population groups after adjusting for other factors in the model and use the Univariate button to view unadjusted results. In the Multivariate tab, data for some characteristics are presented in Figure 5 to demonstrate further the difference between smaller sub-population groups.

Figure 4: Univariate and multivariate logistic regression models of having total income or loss above the median for ex-serving ADF members, PIT 2017-18, PMKeyS

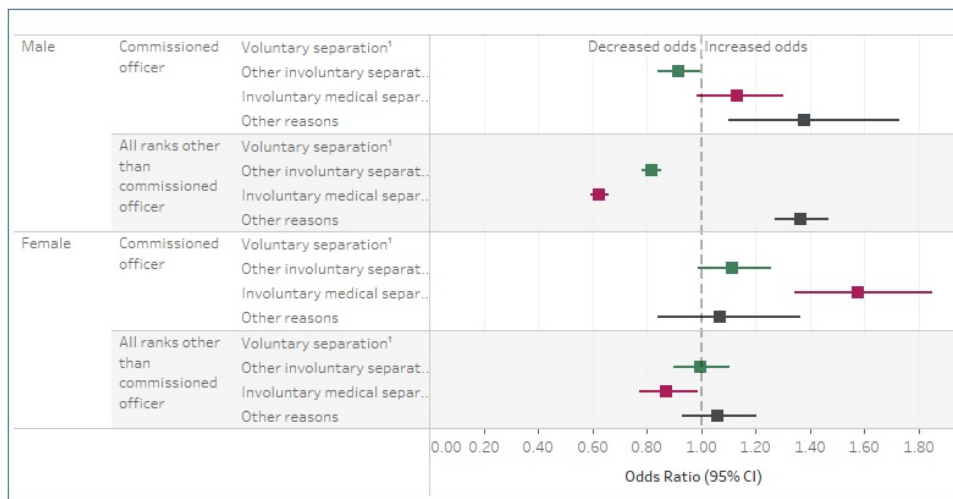
When adjusting for the effects of other demographic and service characteristics in the model, the odds of having higher total personal income or loss were higher for those who served 10 years or more or aged 35 to 54 years.



Sources:
 AIHW analysis of linked Defence PMKeyS 2001-2018 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2017-18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

Figure 5: Multivariate logistic regression models of having total income or loss above the median for ex-serving ADF members for variables with significant interactions, PIT 2017-18, PMKeyS

Among females who separated as Commissioned Officers, the odds of having higher total personal income or loss were higher for those who separated involuntarily due to medical reasons than those who separated voluntarily.



Source:
 AIHW analysis of Linked Defence PMKeyS 2001–2018 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2017–18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

The interactive data visualisation (Figure 6) presents data on the median total personal income or loss of ex-serving ADF members in 2017-18 by service characteristics, in comparison with the Australian population by demographic characteristics.

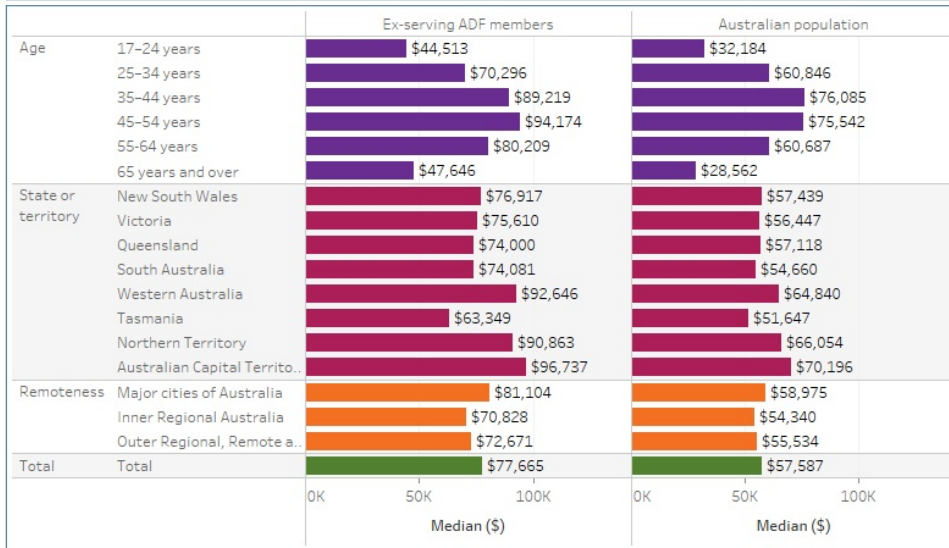
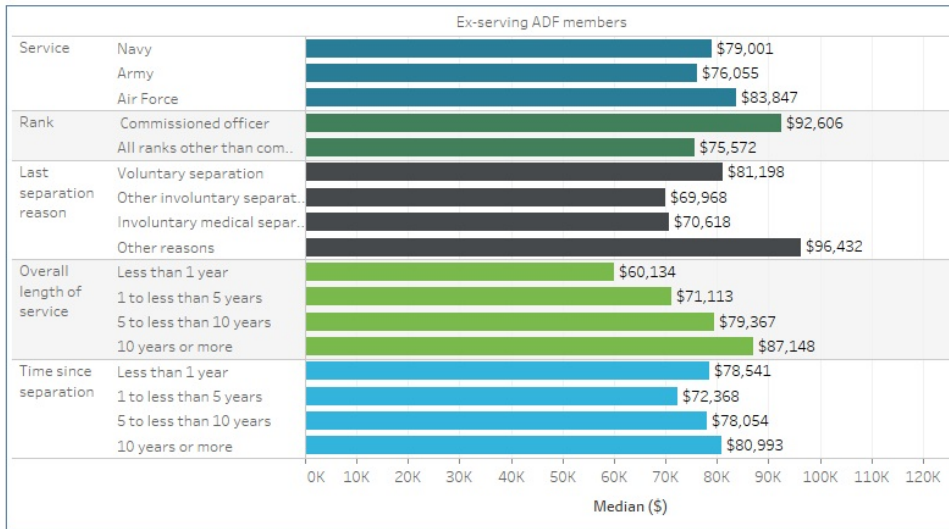
Figure 6: Median of total income or loss for ex-serving ADF members and Australian population, by demographic and service-related characteristics, PIT 2017-18, PMKeyS

Ex-serving ADF members had a higher total personal income or loss than the Australian population. Ex-serving ADF members with high median total personal income or loss included those who were 35-55 years, lived in Australian Capital Territory, Northern Territory and Western Australia, lived in a major city in Australia, were Commissioned Officers, or had length of service of 10 years or more.

Sex:
 Male
 Female

Axis range
 Fixed
 Automatic

Data labels:
 On
 Off



AIHW analysis of Linked Defence PMKeyS 2001-2018 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2017-18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

Included in this analysis

- For the 2017-18 financial year, the analysis includes ADF members who had at least one day of service since 1 January 2001 and who were ex-serving before 1 July 2017 and were alive on 30 June 2018. This study population was designed to ensure the ADF members were ex-serving and experienced the whole financial year for income purposes.
- Of these 107,000 ex-serving ADF members, 85% linked to the 2017-18 PIT data in MADIP which resulted in an in-scope population of 90,400 ex-serving ADF members aged 17 years and over.
- Further information on population scope, analysis period, methodology can be found in the [Technical notes](#).
- Excel source data tables are available in [Data](#).

References

AIHW (Australian Institute of Health and Welfare) (2022) *Understanding the wellbeing characteristics of ex-serving ADF members*. Cat. no. PHE 303. AIHW, Australian Government, accessed 6 March 2023.

ATO (Australian Taxation Office) (2022a) *Tax-free government pensions or benefits*, ATO, Australian Government, accessed 28 July 2023.

Sources of personal income

This section explores sources of personal income of ex-serving ADF members compared with the Australian population. The analysis focuses on the four main sources of income reported in a personal income tax (PIT) return, including:

- [salary or wages](#)
- [government pensions and allowances](#) (taxable)
- [annuity or superannuation](#)
- [business income](#).

The first three of these income sources were examined as they reflect an individual's financial stability at different life stages and circumstances. Understanding where people are drawing their income from can provide more detailed insights into their financial situation and help set policy directions. For example, people working part-time might require different types of program or policy support than someone earning the same amount on government pensions and allowances. Business income was also explored to align with the government's priority to support veterans' self-employment and entrepreneurship (for example, through the New Business Assistance and the Prince's Trust Australia Enterprise Program) (DVA 2020, n.d.).

People can report income in any or all of these sources. The amount of income from each source was summed as 'total income'. In this report, the percentage of income from each source to total income is defined as contribution to total income.

'Total income' is a close approximation of 'total income or loss' referred in the [Personal income](#) section. For information on the difference between 'total income' and 'total income or loss', see [Limitations related to quality and completeness of data sources](#) and data tables available in [Data](#). For more information on each source of personal income, see the [Glossary](#).

Income from multiple sources

- 28% of ex-serving ADF members who submitted tax returns for the 2017-18 financial year reported income from more than one source.
- Salary or wages was the most reported source of income (83%), while business income was the least common (7.6%).
- Ex-serving ADF members receiving income as salary or wages were more likely to have it as the only source of income (74%) compared with business income (30%), annuity or superannuation (30%) or government pensions and allowances (13%).
- Ex-serving ADF members receiving business income most commonly reported also receiving income from salary or wages (about 60%), while about 60% of those receiving annuity or superannuation payments also received income from salary or wages. Approximately 14% of those reporting business income also reported annuity or superannuation income.

Income from salary or wages

Receipt of income from salary or wages

- [Binomial logistic regression modelling](#) was conducted to compare the odds of receiving income from salary or wages between ex-serving ADF members and the Australian population in 2017-18.
 - After adjusting for the effects of sex, age and geographic location, the odds of receiving income from salary or wages among ex-serving ADF members were 22% higher (95% CI 20% to 25%) for ex-serving ADF members than the Australian population.
- [Binomial logistic regression modelling](#) was also conducted to understand the association between various service characteristics of ex-serving ADF members and the receipt of income from salary or wages in 2017-18. When adjusting for other demographic and service characteristics in the model, the odds of receiving income from salary or wages in 2017-18 were:
 - 79% higher (95% CI 61% to 98%) for those who served less than one year than those who served 10 years or more. The odds decreased with longer service
 - 56% lower (95% CI 53% to 58%) for those who separated involuntarily for medical reasons than those who separated voluntarily
 - 38% higher (95% CI 31% to 46%) for those separated as Other ranks than those who separated as Commissioned Officers
 - 34% higher (95% CI 23% to 45%) for those who separated less than one year before 2017-18 than those who separated 10 years or more
 - 8% lower (95% CI 2% to 15%) for those aged 35 to 44 years than those aged 25 to 34 years. These odds continued to decrease with age.

Median salary or wages income

- In 2017-18, ex-serving ADF members had a higher median income from salary or wages (\$78,500 for males and \$57,000 for females) compared with the Australian population (\$62,000 for males and \$43,200 for females).
- Ex-serving ADF members who separated as Commissioned Officers had the highest median income from salary or wages (\$105,000 for males and \$73,700 for females), while the lowest median income was received by those who separated involuntarily due to medical reasons (\$54,300 for males and \$44,400 for females).

Contribution of income from salary or wages to total income

- In 2017-18, the contribution of salary or wages to total income was similar between ex-serving ADF members (81% for males and 84% for females) and the Australian population (82% for males and 88% for females).

- For ex-serving ADF members, the contribution to total income of salary or wages income was highest for those:
 - aged 17-54 years, who are typically the working age population (83% to 89% for males, and 84% to 90% for females)
 - living in Western Australia (89% for males and 87% for females) or the Northern Territory (88% for males and 90% for females)
 - being of Other rank at the time of separation from the ADF (85% for males and 86% for females)
 - whose length of service in the ADF was less than five years (88% to 92% for males and 88% to 93% for females).
- The contribution to total income of salary or wages income was lowest for those:
 - aged 65 years and over (32% for males and 41% for females).
 - separated involuntarily from the ADF due to medical reasons (58% for males and 59% for females).

Income from government pensions and allowances

Receipt of income from government pensions or allowances (excluding DVA payments)

- Binomial logistic regression modelling was conducted to compare the odds of receiving income from government pensions and allowances between ex-serving ADF members and Australian population in 2017-18.
 - When adjusting for the effects of sex, age and geographic location, the odds of receiving income from government pensions and allowances among ex-serving ADF members were 7% lower (95% CI 5% to 10%) for ex-serving ADF members than the Australian population.
- Binomial logistic regression modelling was also conducted to understand the association between various service characteristics of ex-serving ADF members and the receipt of income from government pensions and allowances in 2017-18. When adjusting for other demographic and service characteristics in the model, the odds of receiving income from government pensions and allowances in 2017-18 were:
 - 1.5 times as high (95% CI 1.4 to 1.6) for females as for males.
 - 2.0 times as high (95% CI 1.8 to 2.2) for those aged 17 to 24 years as for those aged 25 to 34 years. The odds of receiving government pensions or allowances were 11 times as high (95% CI 9.9 to 13) for those aged 65 years and over as for those aged 25 to 34 years.
 - 2.1 times as high (95% CI 1.9 to 2.3) for those who separated as Other ranks as for those who separated as Commissioned Officers.
 - 2.5 times as high (95% CI 2.2 to 2.8) for those who served less than one year as for those who served 10 years or more. The odds decreased with longer service.

Median income from government pensions and allowances

- In 2017-18, ex-serving ADF members had a lower median income from government pensions and allowances (\$6,300 for males and \$7,400 for females) than the Australian population (\$7,500 for males and \$8,300 for females).
- The highest median income from government pensions and allowance occurred in the older age categories for both ex-serving ADF and the Australian populations:
 - ex-serving ADF members aged 65 years and over - \$7,400 for males and \$7,700 for females
 - Australian population aged 65 years and over - \$11,900 for males and \$13,400 for females.

Contribution of income from government pensions and allowance to total income

- In 2017-18, the contribution of government pensions and allowances to total income was lower for ex-serving ADF members (0.6% for males and 1.2% for females) than for the Australian population (1.1% for males and 2.5% for females).
- For ex-serving ADF members, the contribution to total income of government pensions and allowances income was highest for those:
 - aged 17-24 years (2.3% for males and 3.6% for females).
 - aged 65 years and over (3.8% for males and 6.0% for females).
 - who served in the ADF for less than one year (1.1% for males and 3.0% for females).
- For persons aged 65 years and over, the contribution to total income of government pensions and allowances income was lower for ex-serving ADF members (3.8% for males and 6.0% for females) compared with the Australian population (11% for males and 23% for females).

Income from annuity or superannuation

Receipt of income from annuity or superannuation

- Binomial logistic regression modelling was conducted to compare the odds of receiving income from annuity or superannuation between ex-serving ADF members and Australian population in 2017-18.
 - When adjusting for the effects of sex, age and geographic location, the odds of receiving income from annuity or superannuation among ex-serving ADF members were 33 times as high (95% CI 32 to 33) for ex-serving ADF members compared with the Australian population.

- **Binomial logistic regression modelling** was also conducted to understand the association between various service characteristics of ex-serving ADF members and the receipt of income from annuity or superannuation in 2017-18. When adjusting for other demographic (including age) and service characteristics in the model, the odds of receiving income from annuity or superannuation in 2017-18 were:
 - 65 times as high (95% CI 60 to 71) for those who separated involuntarily for medical reasons as for those who separated voluntarily.
 - People can access their superannuation before their preservation age for a number of reasons, including: severe financial hardship, compassionate grounds, terminal medical conditions or incapacity.
 - 5.6 times as high (95% CI 5.1 to 6.2) for those aged 45 to 54 years as for those aged 25 to 34 years. The odds continued to increase with age.
 - 94% lower (95% CI 93% to 96%) for those who served less than one year than those who served 10 years or more.
 - 47% lower (95% CI 43% to 51%) for females than for males.

Median income from annuity or superannuation

- In 2017-18, the median income from annuity or superannuation was similar for ex-serving ADF males (\$30,300) and Australian males (\$30,400), but higher for ex-serving ADF females (\$29,800) compared with Australian females (\$18,200).

Contribution of income from annuity or superannuation to total income

- In 2017-18, the contribution of annuity or superannuation to total income was nearly 8 times higher for ex-serving ADF males (9.3%) and females (7.9%) compared with Australian males (1.2%) and females (0.9%). Consistent findings were observed over the five years from 2013-14 to 2017-18.
- For ex-serving ADF males who separated involuntarily due to medical reasons, 37% of their total income in 2017-18 was from annuity or superannuation, compared with only 4.7% for those who separated voluntarily from the ADF. A similar pattern was observed for ex-serving ADF females who separated involuntarily due to medical reasons, where 36% of their total income was from annuity or superannuation compared with 2.5% for those who separated voluntarily from the ADF.
- The contribution of annuity or superannuation to total income in 2017-18 for ex-serving ADF members was highest for those aged 55-64 years (21% for males and 19% for females) and 65 years and over (46% for males and 38% for females).

Business income

Receipt of income from business

- **Binomial logistic regression modelling** was conducted to compare the odds of receiving income from business between ex-serving ADF members and the Australian population in 2017-18.
 - When adjusting for the effects of sex, age and geographic location, the odds of receiving income from business among ex-serving ADF members were 36% lower (95% CI 35% to 38%) for ex-serving ADF members than the Australian population.
- **Binomial logistic regression modelling** was also conducted to understand the association between various service characteristics of ex-serving ADF members and the receipt of income from business in 2017-18. When adjusting for other demographic and service characteristics in the model, the odds of receiving income from business in 2017-18 were:
 - 45% lower (95% CI 35% to 53%) for those aged 17 to 24 years than those aged 25 to 34 years. No difference was found among other age groups
 - 42% lower (95% CI 31% to 51%) for those in the Australian Capital Territory than those in Queensland. No difference was found between Queensland and any other state or territory
 - 36% lower (95% CI 32% to 40%) for those who separated as Other ranks than those who separated as Commissioned Officers
 - 31% lower (95% CI 24% to 37%) for those who separated involuntarily for medical reasons than those who separated voluntarily.

Median business income

- Overall, ex-serving ADF males' median business income (\$28,400) was lower than Australian males (\$36,000) in 2017-18. In contrast, the median business income of ex-serving ADF females (\$18,300) was similar to Australian females (\$19,500).
- Among ex-serving ADF members, the median business income was highest for those who separated as Commissioned Officers (\$44,500 for males and \$29,000 for females) and lowest for those who separated involuntarily due to medical reasons (\$18,600 for males and \$9,000 for females).

Contribution of income from business to total income

- In 2017-18, the contribution of business income to total income for ex-serving ADF males (8.8%) was about half that of Australian males (16%). For females, there was less difference, with 6.9% of total income was from business income compared with 8.8% for Australian females. Consistent findings were observed over the five years from 2013-14 to 2017-18.
- For ex-serving ADF members, the contribution to total income of business income was higher for those who separated as Commissioned Officers (18% for males and 13% for females) compared with those who separated as Other ranks (5.9% for males and 4.5% for females).

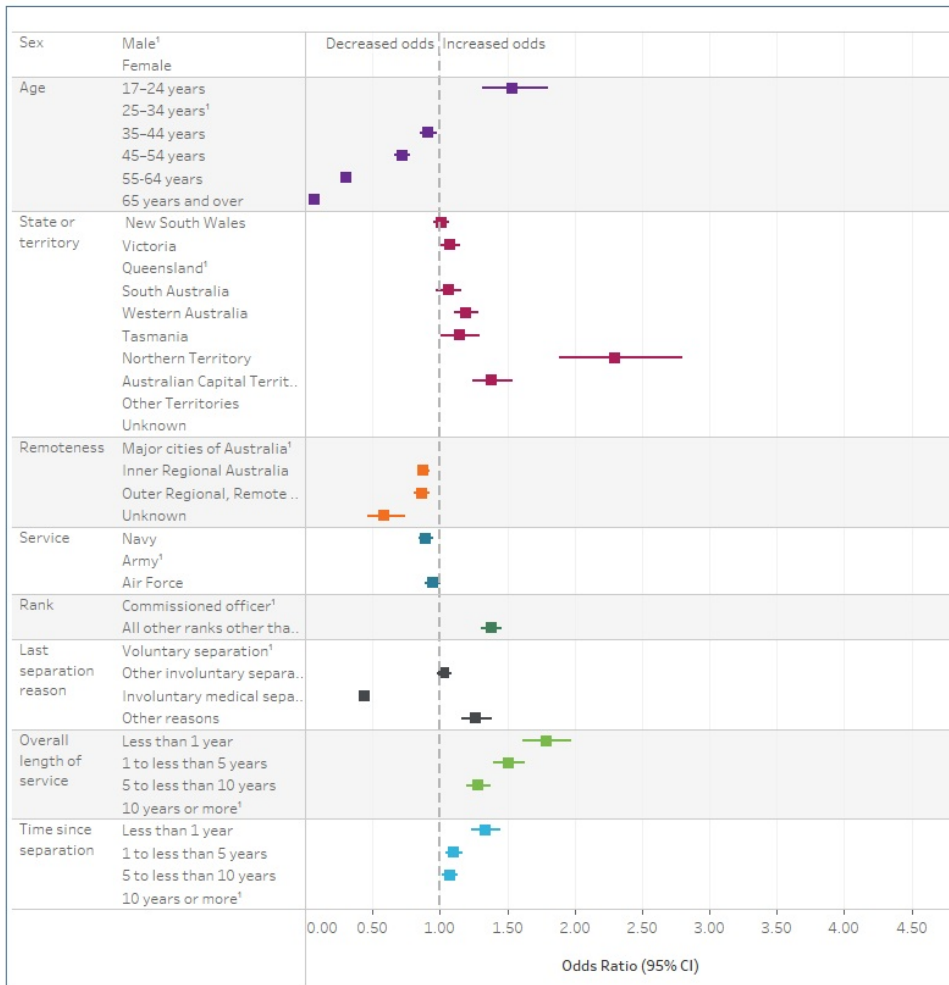
The interactive data visualisation (Figure 7) presents modelling data on the receipt of income from each of the income sources for ex-serving ADF members in 2017-18 by demographic and service characteristics. Select the Multivariate button to view difference between sub-population groups after adjusting for other factors in the model and use the Univariate button to view unadjusted results.

Figure 7: Univariate and multivariate logistic regression models of having income from one of the listed income sources for ex-serving ADF members, PIT 2017-18, PMKeyS

When adjusting for other demographic (including age) and service characteristics in the model, the odds of receiving income from annuity or superannuation 2017-18 were higher for those who separated involuntarily for medical reasons than for those who separated voluntarily.

Source of income: ● Salary or wages
○ Government pensions and allowances
○ Annuity or superannuation
○ Business

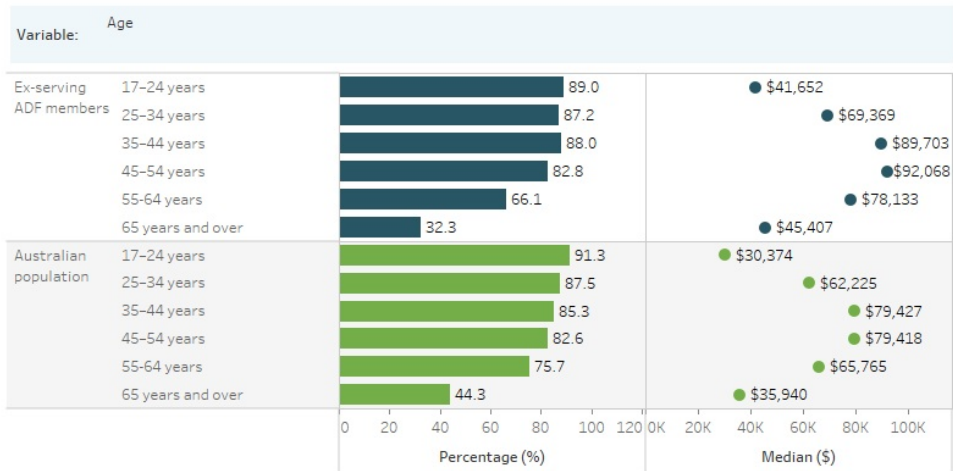
Axis range: ● Fixed
○ Automatic



Source: AIHW analysis of linked Defence PMKeyS 2001-2018 data to MADIP. Multi-Agency Data Integration Project (MADIP), 2017-18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data. <http://www.aihw.gov.au>

The interactive data visualisation (Figure 8) presents data on the contribution to total income and median value of each of the income sources for ex-serving ADF members in 2017-18 by service characteristics, in comparison with the Australian population by demographic characteristics.

Figure 8: Contribution of different income sources to the total of the four sources of income and median values of different income sources for ex-serving ADF members and Australian population, by demographic and service-related characteristics, PIT 2017-18, PMKeyS



Sources:
 AIHW analysis of Linked Defence PMKeyS 2001-2018 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2017-18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

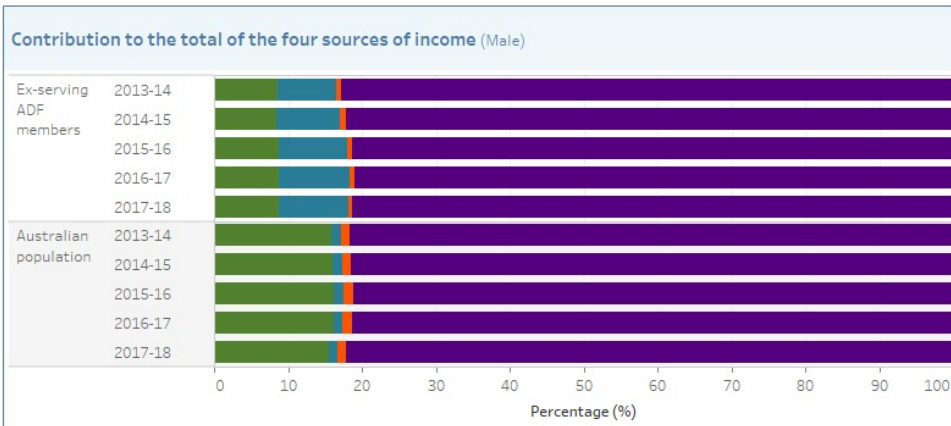
The figure shows that ex-serving ADF males who separated involuntarily due to medical reasons had higher percentage of their income in 2017-18 from annuity or superannuation compared with those who separated voluntarily from the ADF.

The interactive data visualisation (Figure 9) presents data on the median value of each of the income sources and contribution to total income for ex-serving ADF members and the Australian population over time, from 2013-14 to 2017-18.

Figure 9: Contribution of different income sources to the total of the four sources of income and median values of total income or loss for ex-serving ADF members and Australian population, by sex, PIT 2013-14 to 2017-18, PMKeyS
 The figure shows that ex-serving ADF members had a higher median total income or loss than the Australian population from 2013-14 to 2017-18. Across the same time period, ex-serving ADF members had higher percentage of their income from annuity or superannuation and lower percentage of their income from business than the Australian population.

Sex:
 ● Male
 ○ Female

Source of income:
 ■ Salary or wages
 ■ Government pensions and allowances
 ■ Annuity or superannuation
 ■ Business income



Sources:
 AIHW analysis of Linked Defence PMKeyS 2001–2018 data to MADIP.
 Multi-Agency Data Integration Project (MADIP), 2013–14 to 2017–18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

Included in this analysis

For the 2017-18 financial year, the analysis includes ADF members who had at least one day of service since 1 January 2001 and who were ex-serving before 1 July 2017 and were alive on 30 June 2018. This study population was designed to ensure the ADF members were ex-serving and experienced the whole financial year for income purposes.

Of these 107,000 ex-serving ADF members, 85% linked to the 2017-18 PIT data in MADIP which resulted in an in-scope population of 90,400 ex-serving ADF members aged 17 years and over.

Further information on population scope, analysis period, methodology can be found in the [Technical notes](#).

Excel source data tables are available from [Data](#).

References

DVA (Department of Veterans' Affairs) (2020) *Government prioritises veterans' self-employment and entrepreneurship*, DVA, Australian Government, accessed 11 August 2023.

DVA (n.d.) *Starting your own business*, DVA, Australian Government, accessed 11 August 2023.

Income support paid by Services Australia

This section explores income support paid by Services Australia, demographic (that is, sex, age, and geographic location), and service-related characteristics of ex-serving ADF members with at least one day of service since 1 January 2001.

Income support payments are classed as benefits that generally serve as a recipient's primary source of income; they are regular payments that assist with the day-to-day cost of living (AIHW 2021; Services Australia 2022). A range of payments by Services Australia and/or DVA are considered income support payments (DVA n.d.; Services Australia 2022). For this report, income support payments are limited to those paid by Services Australia and do not include payments from DVA.

For more information on the ex-serving ADF members population in scope for the analysis of income support, see [Included in this analysis](#).

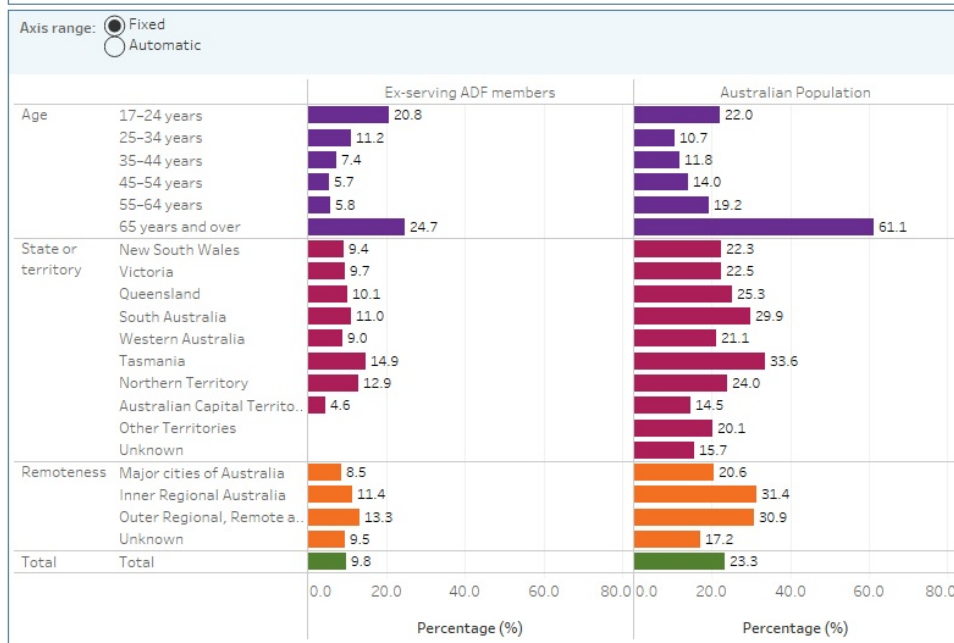
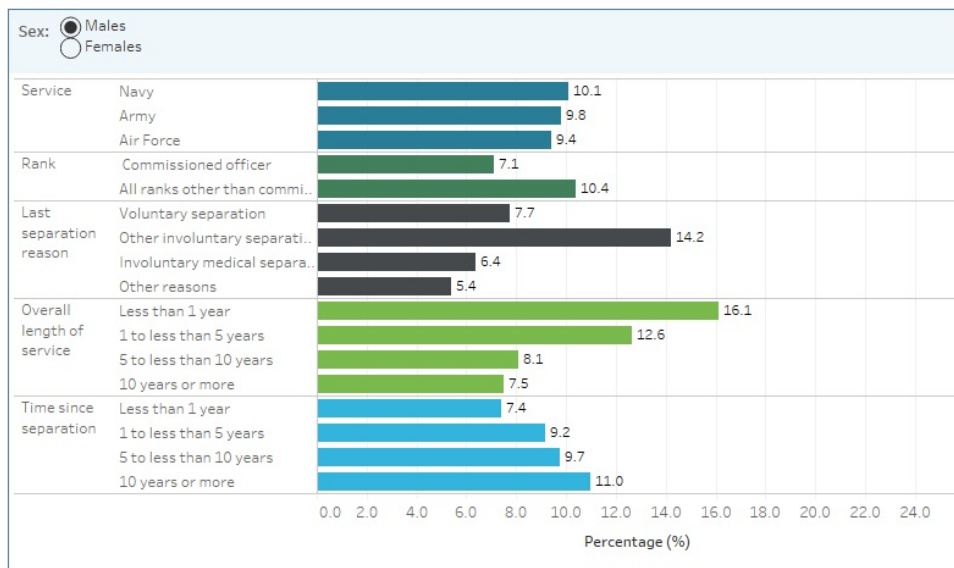
Key findings

- Ex-serving ADF members were less likely to receive income support paid by Services Australia compared with the Australian population.
 - [Binomial logistic regression modelling](#) was used to investigate the differences in the odds of receiving income support paid by Services Australia in 2017-18 between ex-serving ADF-members and the Australian population aged 17 years and over.
 - Controlling for the effects of sex, age and geography, ex-serving ADF members had 52% lower odds (95% CI 51% to 53%) of receiving income support paid by Services Australia than the Australian population.
 - In 2017-18, one in 10 (9.8%) ex-serving ADF males and around 1 in 8 (13%) ex-serving ADF females received income support paid by Services Australia, compared with 23% of Australian males and 29% of Australian females.
 - From 2013-14 to 2017-18, the percentage of ex-serving ADF members who received income support paid by Services Australia slowly decreased, while the percentage for the Australian population remained similar.
 - In 2013-14, 13% of ex-serving ADF males were receiving income support paid by Services Australia, compared with 9.8% in 2017-18. Ex-serving ADF females had a similar pattern, where 15% received income support paid by Services Australia in 2013-14 compared with 13% in 2017-18.
 - In 2013-14, 24% of Australian males and 30% of Australian females received income support paid by Services Australia, compared with 23% and 29% respectively in 2017-18.
- [Binomial logistic regression modelling](#) was also conducted to understand the association between various service characteristics of ex-service ADF members and whether they were receiving income support paid by Services Australia. When adjusting for other demographic and service characteristics in the model, the odds of receiving income support paid by Services Australia in 2017-18 were:
 - higher in the oldest and youngest age groups
 - 6.7 times as high (95% CI 6.0 to 7.5) for those aged 65 years and over as for those aged 25 to 34 years
 - 1.7 times as high (95% CI 1.6 to 1.9) for those aged 17 to 24 as for those aged 25-34
 - no significant difference was observed for other age groups
 - 2.8 times as high (95% CI 2.5 to 3.1) for those who served less than one year as for those who served 10 years or more
 - 2.2 times as high (95% CI 2.1 to 2.4) for those who separated as Other ranks as for those who separated as Commissioned Officers
 - 55% higher (95% CI 46% to 64%) for females compared with males
 - 49% higher (95% CI 42% to 57%) for those whose last separation reason was 'involuntary - other' compared with those who separated voluntarily
 - 23% lower (95%CI 16% to 29%) for those who separated involuntarily for medical reasons than those who separated voluntarily.

The interactive data visualisation (Figure 10) presents data on the percentage of ex-serving ADF members receiving income support paid by Services Australia in 2017-18 by service characteristics, in comparison with the Australian population by demographic characteristics.

Figure 10: Percentages of ex-serving ADF members and Australian population who received for income support paid by Services Australia, by demographic and service-related characteristics, DOMINO 2017-18, PMKeyS

The figure shows that overall, the percentage of ex-serving ADF members receiving income support paid by Services Australia was lower than that of the Australian population in 2017-18.

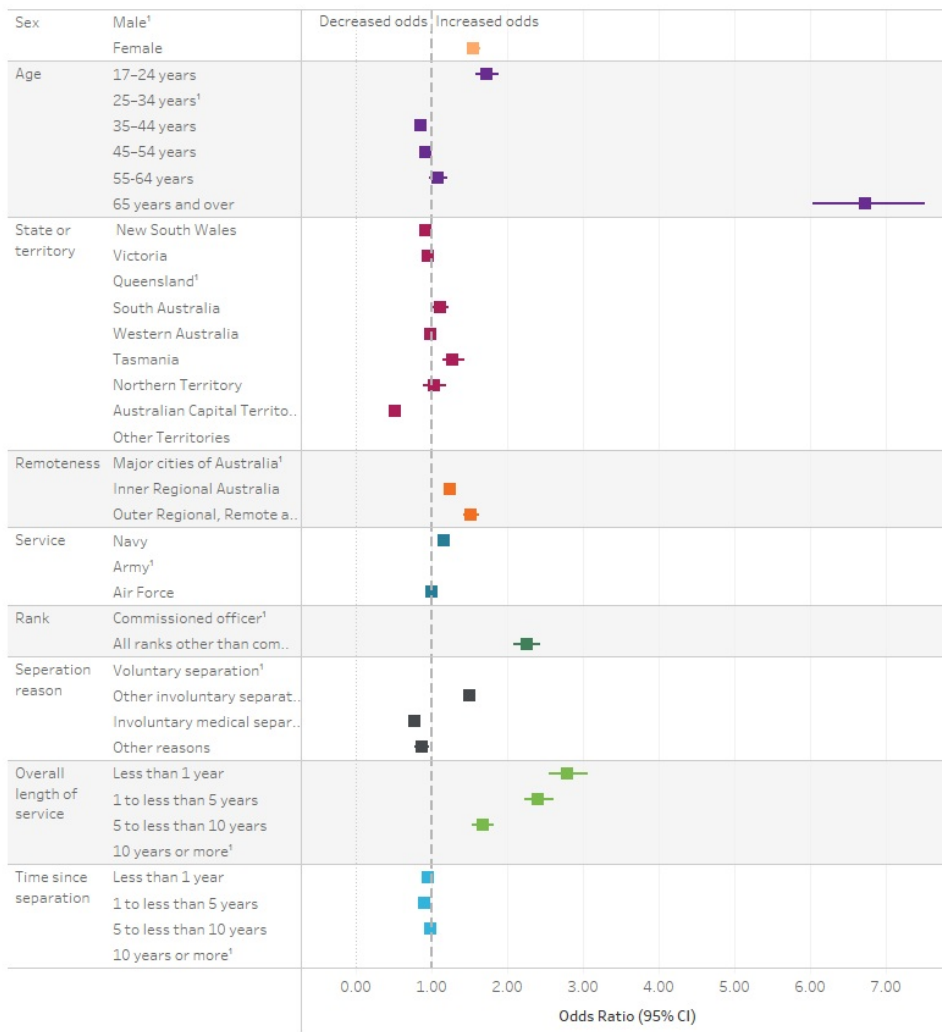


Sources:
 AIHW analysis of Linked Defence PMKeyS 2001-2018 data to MADIP
 Multi-Agency Data Integration Project (MADIP), 2017-18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.
<http://www.aihw.gov.au>

The interactive data visualisation (Figure 11) presents modelling data on the receipt of income support paid by Services Australia for ex-serving ADF members in 2017-18 by demographic and service characteristics. Select the Multivariate button to view difference between sub-population groups after adjusting for other factors in the model and use the Univariate button to view unadjusted results.

Figure 11: Univariate and multivariate logistic regression models of receipt of income support paid by Services Australia for ex-serving ADF members, DOMINO 2017-18, PMKeyS

When adjusting for other demographic and service characteristics in the model, the odds of receiving income support paid by Services Australia were higher for those who were in the oldest and youngest age groups (that is, 65 years and over and 17-24 years, respectively), served less than 5 years, separated as Other ranks, or were females.



Sources:

AIHW analysis of linked Defence PMKeyS 2001–2018 data to MADIP

Multi-Agency Data Integration Project (MADIP), 2017–18, MADIP Modular Product, ABS DataLab. Findings based on use of MADIP data.

<http://www.aihw.gov.au>

Included in this analysis

This section includes an in-depth analysis of income support paid by Services Australia by demographic and service-related characteristics for the 2017-18 financial year, and trend analysis from 2013-14 to 2017-18.

The people described as receiving income support paid by Services Australia were those who had applied for one of the identified benefits or allowances and had been assessed by Services Australia as eligible to receive the payment. Payments data was not used to identify this group.

For the 2017-18 financial year, the in-scope population includes 105,000 ADF members who were ex-serving and alive as of 30 June 2017, aged at least 16 at hire date and 17 years and over in 2017. This study population was designed to ensure the ADF members were ex-serving and experienced the whole financial year for income purposes.

DVA also provides a range of income support payments to veterans including age pension, income support supplement, service pension, and veteran payment (DVA n.d.; Services Australia 2022). For this report, income support payments however, are limited to those paid by Services Australia and do not include payments from DVA. For information on reasons for the exclusion of DVA payments from the analysis, see [Limitations related to quality and completeness of data sources](#).

Further information on population scope, analysis period and methodology can be found in [Technical notes](#).

Excel source data tables are available from [Data](#).

References

AIHW (Australian Institute of Health and Welfare) (2021) [Income and income support](#), AIHW, Australian Government, accessed 24 February 2023.

DVA (Department of Veterans' Affairs) (n.d.) [Income support](#), DVA, Australian Government, accessed 10 May 2023.

Services Australia (2022) [Income support payment](#), Services Australia, Australian Government, accessed 2 May 2023.



Technical notes

Abbreviations

ABS	Australian Bureau of Statistics
ADF	Australian Defence Force
AIHW	Australian Institute of Health and Welfare
Air Force	Royal Australian Air Force
Army	Australian Army
CI	Confidence interval
DOMINO	Data Over Multiple Individual Occurrences
DSS	Department of Social Services
DVA	Department of Veterans' Affairs
Navy	Royal Australian Navy
PMKeyS	Personnel Management Key Solution
PIT	Personal income tax
SIH	Survey of Income and Housing

Data sources

Department of Defence personnel data

Information on ex-serving ADF members was obtained from the Personnel Management Key Solution (PMKeyS). PMKeyS is a Department of Defence staff and payroll management system that contains information on all people with ADF service on or after 1 January 2001 (when the system was introduced). The PMKeyS data underpinning this study were extracted on 5 September 2020. The data supplied for this project included records for those who separated from the ADF between January 2001 and September 2020.

This extract provided a snapshot of a number of demographic and service-related characteristics of ADF personnel as at this date, including rank, service, operational service status. A number of extra characteristics were then derived from this information in the original extract including age, service status, length of service, and time since separation.

Multi-Agency Data Integration Project

The Multi-Agency Data Integration Project (MADIP) is a partnership among Australian Government agencies to develop a secure and enduring approach for combining information on healthcare, education, government payments, personal income tax, and demographics (including the Census) to create a comprehensive picture of Australia over time (ABS 2018). More information about the MADIP can be found at [Multi-Agency Data Integration Project \(MADIP\) | Australian Bureau of Statistics \(abs.gov.au\)](#). The key MADIP data sets used in this analysis were:

- MADIP Person Linkage Spine (Australian Bureau of Statistics)
- MADIP Core demographic module (Australian Bureau of Statistics)
- 2016 Census of Population and Housing (Australian Bureau of Statistics)
- Personal Income Tax (Australian Taxation Office)
- Social Security information (DOMINO, Department of Social Services).

2016 Census of Population and Housing

Census of Population and Housing data provides a snapshot of Australia. It collected data on the key characteristics of people in Australia on Census night and the dwellings in which they live every five years. In 2016, the Census was conducted on 9 August. The Census provides a comprehensive picture of Australians, at the national or state and territory level, and for a range of smaller geographic units including local government areas. This supports the planning, administration, policy development and evaluation activities of governments and other users (ABS 2015). For this report, the 2016 Census of Population and Housing data set was linked with Defence payroll data to create the linked PMKeyS-Census 2016 data set used in analysis of equivalised total household income of ex-serving ADF population.

Personal Income Tax (PIT) 2013-14 to 2017-18

Personal income tax is imposed by the federal government and collected by the Australian Taxation Office (ATO). The data are submitted to the ATO via a tax return. A tax return must be lodged if (ATO 2022b):

- tax was withheld from any payments
- taxable income was more than the tax-free threshold (\$18,200)
- the person is leaving Australia forever or for more than one income year
- the person wishes to claim any tax deductions
- the person is a liable or recipient parent under a child support assessment for the whole income year and your income was \$27,063 or more.

PIT data for analysis are provided by the ABS in MADIP as both ranged and continuous income. As continuous income data allows more flexibility for analysis, the continuous dataset was used for this project. This PIT analysis included anyone who submitted a tax return between 2013-14 and 2017-18.

For this report, the PIT data set was linked with Defence payroll data to create the linked PMKeyS-PIT data set used in analysis of personal income and income sources of ex-serving ADF population.

A subset of the PMKeyS-PIT data set was created for each financial year using the corresponding PIT data flag. As 2017-18 is the most recent year of data, it was analysed in-depth by demographic and service-related characteristics. For the remaining financial years, only high-level analysis was performed to capture changes in income and sources of income over time.

PIT data are available from 2010-2011; analysis was limited to data from 2013-14 to 2017-18 as the study period was sufficient to demonstrate changes.

Social Security information - Data Over Multiple Individual Occurrences (DOMINO) 2013-14 to 2017-18

DOMINO is a researchable linkable data asset that includes longitudinal information on an individual's interaction with Centrelink services. It was developed by the Department of Social Services in 2017 and is constructed from Services Australia administrative data. It includes information on Centrelink services, as well as additional characteristics such as location, housing, education, relationships, demographics and medical details.

For this report, the DOMINO data set is linked with Defence payroll data to create the linked PMKeyS-DOMINO data set used in analysis of income support paid by Services Australia of ex-serving ADF population, to supplement sources of income information from PIT analysis.

The version of DOMINO included in MADIP covers the period from 1 January 2006 to 31 December 2019. A subset of the PMKeyS-DOMINO was created for each financial year from 2013-14 to 2017-18 to align with PIT.

Survey of Income and Housing

The Survey of Income and Housing (SIH) is a national survey that collects information to help understand the income, housing and living arrangements of Australian households, and how they change over time. The information gathered from the SIH impacts decisions about income support, pensions, plans for retirement and living costs such as housing and childcare (ABS 2022b). The SIH began in 1994-95 and is generally collected every two years. It is integrated with the Household Expenditure Survey every 6 years. The SIH 2019-20 has a veteran indicator which states 'Whether ever served in the Australian Defence Force'.

The financial stress and veteran indicators in SIH were used to compare financial stress of households with at least one member who had ever served in the ADF and households where no-one had ever served in the ADF by equivalised disposable household income categories.

References

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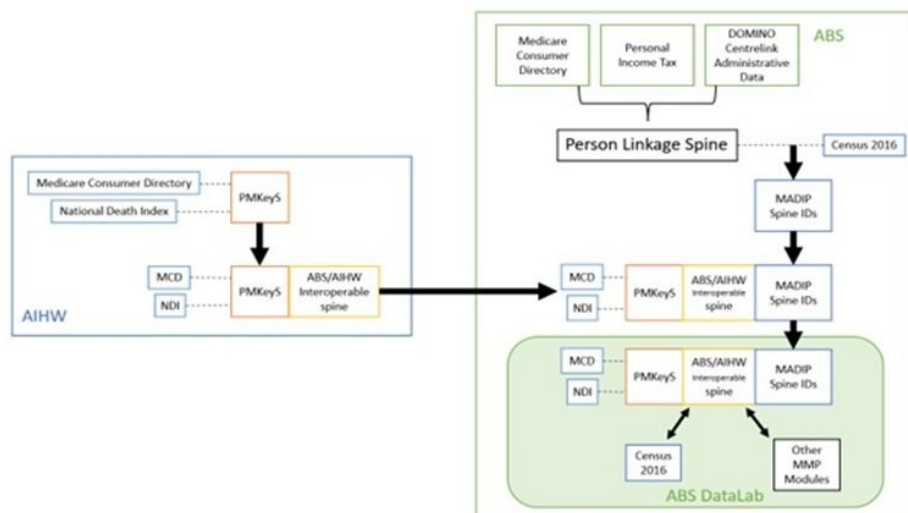
Linkage approach

Data linkage, also known as data integration, is a process that brings together information relating to an individual from more than one source. This report utilised probabilistic linkage between Defence-held Personnel Management Key Solution (PMKeyS) data and the three MADIP data sets 2016 Census of Population and Housing, Personal Income tax (PIT) and Data Over Multiple Individual Occurrences (DOMINO).

After undergoing data checking and cleaning, the PMKeyS data set was linked using a probabilistic data linkage to the AIHW/ABS interoperable spine. This spine allows data held by both organisations to be linked without the need for sharing any identifiable information. The data was linked to the spine by matching by name, sex and date of birth. The linkage procedure involved creating record

pairs-one from each data set-by running a series of passes that allow for variation in full name information and demographic data. There were over 129,000 links found in the PMKeyS-interoperable spine linkage. This linkage was carried out by the Data Linkage Unit at the AIHW. This data set was then transferred to the ABS to be linked to the MADIP spine (Figure 12).

Figure 12: Linkage process



AIHW staff, using the ABS DataLab environment were subsequently able to link the PMKeyS data to each of the three MADIP data sets using the linkages of both data sets to the MADIP spine. For each of the three MADIP data sets records were then removed for those ADF members who were out of scope.

Strict separation of identifiable information and content data is maintained within the Data Linkage Units at both AIHW and the ABS, so that no one person will ever have access to both. Summary results from the linked data set are presented in aggregate format. Personal identifying information is not released, and no individual can be identified in any reporting.

Census 2016

After removing the records of those ADF members who were out of scope, this resulted in an in-scope population of 76,000 links who were aged 17 years and over at Census, older than 16 at hire date, alive, and ex-serving at the time of the 2016 Census, who had served at least one day between 1 January 2001 and 30 June 2016.

PIT 2013-14 to 2017-18

After removing the records of those ADF members who were out of scope, the in-scope population for each financial year were aged 17 years and over, 16 years and over at hire date, alive during the financial year, and ex-serving at the beginning of financial year, who had served at least one day between 1 January 2001 and the last day before the financial year (for example, 30 June 2017 for the 2017-18 financial year).

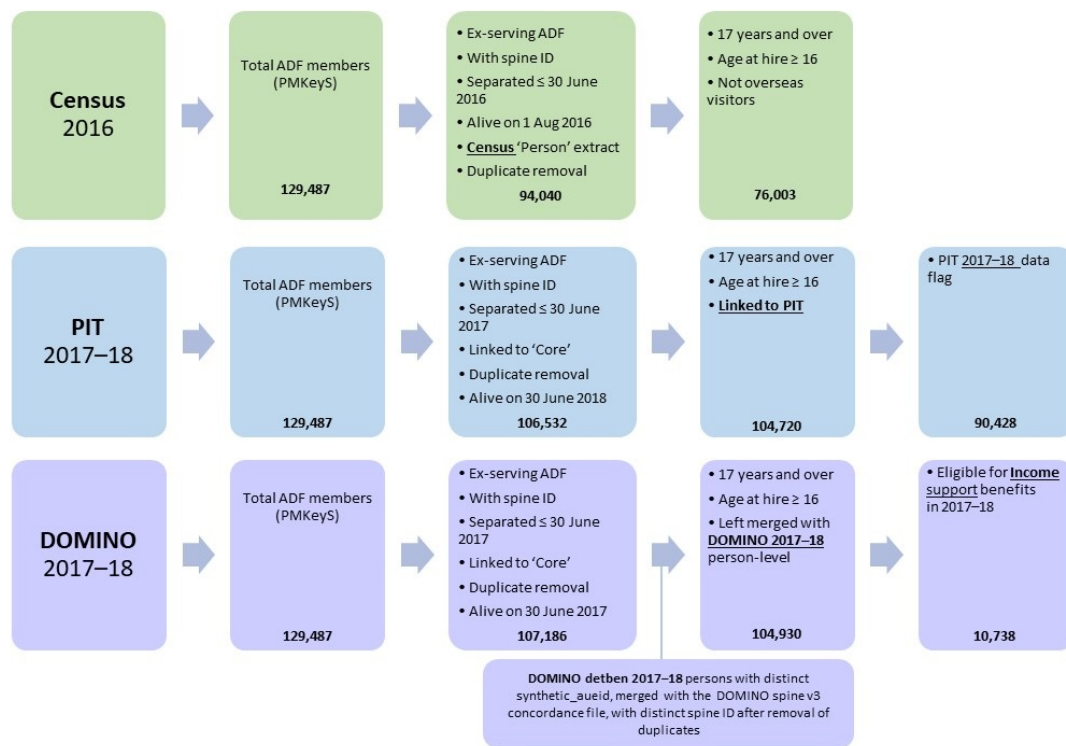
The in-scope population for 2017-18 is 90,400. Information on population scope for other financial years can be found in [Data](#).

DOMINO 2013-14 to 2017-18

After removing the records of those ADF members who were out of scope, the in-scope population for each financial year were aged 17 years and over, 16 years and over at hire date, alive and ex-serving at the beginning of the financial year, who had served at least one day between 1 January 2001 and the last day before the financial year (for example, 30 June 2017 for the 2017-18 financial year).

The in-scope population for 2017-18 is 105,000. Information on population scope for other financial years can be found in [Data](#).

Figure 13: Processing and linkage counts for the analysed MADIP data sets



Scope of populations

Age

The minimum age of both ex-serving ADF and Australian populations was capped at 17 years. For the Census and SIH data set age restriction was for survey respondents and was recorded at the time of the surveys. For PIT and DOMINO age was taken at the start of the calendar year, instead of financial year, due to limitations in the timepoint to which data are available. For example, for PIT 2017-18 age was recorded as of 1 January 2017.

Hire age

Hire age was calculated using the calculated age (see above) and the hire date variable from PMKeyS. Ex-serving ADF members were included if their hire age was 16 years or over to remove any linkage errors.

Service status

For Census, PIT and DOMINO service status was determined using the PMKeyS variable to indicate service status (that is, serving, reserve, ex-serving) of veterans at the data extraction date, September 2020.

Service status at a point in time was determined using the PMKeyS service status and separation date variables.

SIH has a veteran indicator which states 'Whether ever served in the Australian Defence Force' but does not indicate if they are currently serving.

Separation date

The ex-serving ADF population has been restricted to those who separated prior to a specific date to ensure the study population had separated from the ADF at the start of the study period.

PMKeyS in MADIP provides the year of separation and whether members separated in the first (January to June) or second (July to December) half of the financial year.

For 2016 Census, the ex-serving ADF population has been restricted to those who separated prior to 1 July 2016 to ensure the study population had separated from the ADF at the time of the 2016 Census.

For PIT and DOMINO, the ex-serving ADF population has been restricted to those who separated prior to 1 July closest to the study period. For example, for PIT 2017-18, ex-serving ADF population includes those who separated prior to 1 July 2017.

Separation date was used to calculate length of service and time since separation.

Date of death

The ex-serving ADF population has been restricted to those who were alive at any point (for example, for DOMINO) or during (for example, for PIT) the study period. Month and year of death from PMKeyS and MADIP Modular Products 2011-2019 (Core Module) was used to determine whether a person was alive or had passed.

Australian population

Australian comparator cohort was constructed for each data source and study period, which includes the following criteria.

For 2016 Census:

- ages of 17 years and over at 2016 Census
- not overseas visitors.

For PIT:

- alive during the financial year
- ages of 17 years and over at the start of the calendar year (Refer section 'Scope of populations - Age' for further information on age)
- submitted an income tax return for the financial year.

For DOMINO:

- alive at any point during the financial year
- ages of 17 years and over at the start of the calendar year (Refer section 'Scope of populations - Age' for further information on age).

For SIH, the comparator was households where:

- usual residents who regarded the dwelling as their own or main home
- private dwellings such as, houses, flats, home units, caravans, garages, tents and other structures such as long-stay caravan parks that were used as places of residence during the time of interview
- ages of 17 years and over at the time of the survey
- no household members had ever served in the ADF.

Data limitations

There are some challenges and limitations with the analysis of linked administrative data that should be noted, namely:

- bias from linkage errors where records cannot be linked
- limitations in the period to which data are available
- limitations with the study population
- data sources are of varying quality and/or completeness.

Also, values based on small numbers have been suppressed to maintain data confidentiality, and/or avoid publishing statistics of low reliability.

Limitations related to linkage

The linkage processes only provide data for those ex-serving ADF members who had a record for the respective data source. An individual not having a record could be a result of:

- For Census
 - them being overseas at the time of the 2016 Census, and/or
 - them not having completed a Census record.
- For PIT
 - them having income under the tax-free threshold (\$18,200), and/or
 - no tax has been withheld from their income (ATO 2022b).
- For all linkage
 - linkage error due to coercion to a later spine, insufficient information for linkage, or the record not being available.

Limitations related to the period of available data

The most recent data available for PIT in MADIP is 2017-18, whereas the version we used for DOMINO has data up until 31 December 2019. As data from different sources are analysed to complement one another, the same data period for different data sources was chosen where possible, that is, up to 2017-18 for both PIT and DOMINO. Therefore, for DOMINO, it was not the most recent data that have been analysed.

Limitations of the study population

Census, PIT and DOMINO

For 2016 Census, PIT and DOMINO, the study population is limited to ADF members who served at least one day since 1 January 2001 and separated prior to the study period. The ex-serving study population does not include members who separated before 1 January 2001 and also between 1 July 2016 and 9 August 2016 (Census night) for the Census analysis.

For the 2017-18 study population, the reference date for age is 1 January 2017, for geographic locations it is 2016 and for service-related characteristics it is as of 30 June 2017. The reference dates for the demographic characteristics are not at the beginning of the financial year, 1 July 2017, due to limitations in the timepoint to which data are available.

SIH

The SIH collects information by personal interview from usual residents of private dwellings in urban and rural areas or Australia (excluding Very Remote areas), covering around 97% of the Australian population (ABS 2022c).

As the SIH data set collects self-reported data, it is not possible to know how participants interpreted what constitutes ADF service, such as whether it is limited to overseas deployment or excludes reserve service. It is also not possible to distinguish between current serving and ex-serving personnel.

Limitations related to quality and completeness of data sources

PMKeyS

Due to a change in the way reasons for separating the ADF was recorded during 2002, analysis for reasons for separation and for models of ex-serving ADF members (that is, without comparison with Australian population) include only ADF members who separated from the ADF between 1 January 2003 and 30 June 2017.

MADIP

Age - for analyses of PIT and DOMINO

For PIT and DOMINO age was taken at the start of the calendar year, instead of financial year, due to limitations in the timepoint to which data are available. For example, for PIT 2017-18 age was recorded as of 1 January 2017.

Total income or loss - for analysis of PIT

Total income or loss for a financial year corresponds to the value on the bottom of page 3 on the ATO's tax return for individuals for the financial year (ATO 2022c).

Total income or loss are income before tax and deductions. It includes income from the following categories:

1. Salary or wages
2. Allowances, earnings, tips, director's fees etcetera
3. Employer lump sum payments
4. Employment termination payment
5. Australian Government allowances and payments like Newstart, Youth Allowance and Austudy payment
6. Australian Government pensions and allowances
7. Australian annuities and superannuation income streams
8. Australian superannuation lump sum payments
9. Attributed personal services income
10. Gross interest
11. Dividends
12. Employee share schemes
13. Supplement income or loss (for example, business income).

PIT data in MADIP include from the above only the following categories:

- Salary or wages (category 1)
- Government pensions and allowances (categories 5 and 6)
- Annuity and superannuation (category 7)
- Business income (from category 13).

Therefore, total income or loss is different from the sum of the four income sources analysed in this report.

Income from DVA funded pensions and benefits

Income from DVA funded pensions and benefits are:

- not included in the analysis of income support section as it might be incomplete in MADIP
 - People who receive DVA payments and do not apply for income support paid through Services Australia will not be captured in MADIP.
 - DVA payments data available in MADIP do not include 'Veteran payment', which is one of the DVA income support payments.
- not recorded in PIT data in MADIP as they are not taxable.
 - The 'Australian Government allowances and payments like Newstart, Youth Allowance and Austudy payment' and 'Australian Government pensions and allowances' categories in PIT data in MADIP only include taxable income.
 - Our analysis of 2017-18 PIT and DOMINO data also shows a lower percentage of people receiving 'Government pensions and allowances' in PIT than those receiving income support paid by Services Australia in DOMINO (see data tables available from [Data](#)).

The AIHW and DVA are exploring options to include income from DVA funded pensions and benefits from DVA in future analysis.

SIH

SIH has a veteran indicator which states 'Whether ever served in the Australian Defence Force' but does not indicate if they are currently serving.

References

ABS (Australian Bureau of Statistics) (2022c) *Income*, ABS, Australian Government, accessed 6 March 2023.

ATO (Australian Taxation Office) (2022b) *Work out if you need to lodge a tax return*, ATO, Australian Government, accessed 6 March 2023.

Statistical methods

Mean

The mean or average value is a measure of central tendency. The mean is the sum of values set divided by the number of values (Kirkwood and Sterne 2003). For example, the mean age would be the sum of all the ages divided by the number of people.

Means are included only in data tables available from [Data](#).

Median

Median is defined as the number which has the rank $(n+1)/2$ of n numbers. If n is an odd number, then the rank of the median will be a whole number, and the median will be the “middle number” in the data set. But if n is even, then the rank will be a half-rank, and will be the average of the “two middle numbers” in the data set (Underhill and Bradfield 2013).

Proportion difference

Proportion differences, also referred to as absolute differences are presented in data tables that accompany this report. They are a measure the magnitude of the gap between populations without respect to how big or small the individual proportions are. Proportion differences are subject to volatility when used with small numbers, and so should be used with caution when comparing ex-serving ADF member results to the Australian population.

The proportion difference is calculated by subtracting the proportion of a comparator population from the proportion of a study population.

Figure 14: Formula for calculating proportion differences

$$\text{Proportion difference} = \text{Proportion}_{\text{Ex-serving ADF population}} - \text{Proportion}_{\text{Australian population}}$$

Proportion differences are included only in data tables available from [Data](#).

Proportion ratio

Proportion ratios measure the degree of inequality between populations, that is, comparing the proportion in one population to the same proportion in another population. Proportion ratios are sensitive to size of the populations, and are subject to volatility when used with small numbers, and so should be used with caution when comparing ex-serving ADF member to the Australian population.

The proportion ratio is calculated by dividing the proportion in a study population by the proportion in a comparator population.

Figure 15: Formula for calculating proportion ratios

$$\text{Proportion Ratio} = \frac{\text{Proportion}_{\text{Ex-serving ADF population}}}{\text{Proportion}_{\text{Australian population}}}$$

When a proportion ratio is greater than 1, it suggests an increased likelihood of the outcome in the study group. When a proportion ratio is less than 1, it suggests a reduced likelihood of the outcome in the study group. If a proportion ratio is 1 or close to one, it suggests no difference or little difference in likelihood of the outcome.

Proportion ratios are included only in data tables available from [Data](#).

Quintiles

Quintiles are a useful way to measure income inequality (ABS 2022a). Quintiles are five equally sized divisions of a distribution (Kirkwood and Sterne 2003). For example, for the quintiles for the PIT 2017-18 variable total income or loss of the Australian population 20% of the population would fall into each quintile.

Binomial logistic regression modelling

Binomial logistic regression modelling is conducted to understand the association between various service characteristics of ex-service ADF members and a binomial outcome, such as whether or not ex-serving ADF members received business income.

Estimates from the regression model are presented as odds ratios for the group of interest compared with a reference group for each service and demographic characteristic in the data tables attached to this report.

Odds expresses the chance that an outcome may occur. The odds of outcome is equal to the probability that the outcome does occur (p) divided by the probability that the outcome does not occur ($1 - p$):

Figure 16: Formula for calculating odds

$$\text{Odds} = p / (1 - p)$$

An odds ratio (OR) indicates how many times higher the odds of outcome is in one group of people with a particular characteristic than in another group without that characteristic.

Figure 17: Formula for calculating odds ratios

$$OR = \frac{\text{Odds}_{\text{Ex-serving ADF population}}}{\text{Odds}_{\text{Australian population}}}$$

The size of the reported odds ratio indicates the strength of the association or relationship a service or demographic characteristic has to income circumstance (for example, having a high household income, receiving income from annuity or superannuation, or receiving income support paid by Services Australia), relative to the reference group. The odds ratios inform the direction of association with odds ratios greater than 1 showing the outcome was more common than the reference outcome, while odds ratios less than 1 show it is less likely.

Ninety-five per cent (95%) confidence intervals (CI) are also presented to indicate the statistical precision and significance. The result is interpreted as having a statistically significant association (that is, not due to chance) if the confidence interval does not cross the value of 1.

For binomial logistic models that compare the odds of ex-serving ADF members to the Australian population, there is an overlap as the ex-serving ADF members are part of the Australian population. A comparison group consisting of the Australian population less the ex-serving ADF members would be unsuitable as the ex-serving ADF members in this report are limited to those who separated after 1 January 2001. Therefore, the comparison group would still consist of ex-serving ADF members who separated before 2001 and thereby not representative of a “non-ex-serving group”. Using the Australian population as a comparison group results in overlaps of 0.44% for Census, 0.48% for DOMINO and 0.64% for PIT. Each of the overlaps are below 10%, above which a correction factor would be required (Hayes and Berry 2006).

Estimation method

Data from the SIH are based on self-reported veteran status. As only a sample of people in Australia were surveyed, results need to be converted into estimates for the whole population. This was done through a process called weighting:

- Each household is given a number (known as a weight) to reflect how many households they represent in the whole population.
- A household’s weight is based on their probability of being selected in the sample.
- The initial weights are then calibrated to align with independent estimates of the population of interest, referred to as ‘benchmarks’. The weighted estimates are not intended to represent the veteran population, and therefore may over- or under-represent certain types of veterans. Veterans made up a small portion of the overall SIH sample, which may cause some issues with the reliability and validity of results in this report (ABS 2022b).

Relative standard error

A Relative Standard Error (RSE) is the standard error expressed as a percentage of the estimate. It is a useful measure of accuracy, as it gives an indication of the percentage errors likely to have occurred due to sampling. For this analysis, RSEs were calculated by dividing the standard error of the estimate by the estimate and multiplying by 100 (ABS 2023).

Margin of Error

A Margin of Error (MOE) describes the distance from the population value that the sample estimate is likely to be within and is specified at a given level of confidence. For this analysis 95% confidence intervals were used, and the 95% MOE was calculated as 1.96 multiplied by the standard error of the proportion (ABS 2022b).

References

ABS (Australian Bureau of Statistics) (2022a) *Summary Indicators of Income and Wealth Distribution, Survey of Income and Housing, User Guide, Australia*, ABS, Australian Government, accessed 16 March 2023.

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Underhill L and Bradfield D (2013) ‘*Introstat*’ *Creative Commons*, San Francisco.



Glossary

Annuity or superannuation

Annuities are paid by Australian life insurance companies and friendly societies whereas superannuation income streams are paid by superannuation funds, retirement savings account providers and or life insurance companies (ATO 2023b).

Business income

People need to report their personal income from business sources on their tax return. It is supplementary information collected from applicable individuals only, including those who operate their businesses as a sole trader (ATO 2021).

Disposable income

Disposable income is the income available to a person or household after income tax, Medicare levy and Medicare levy surcharge (if applicable) have been deducted (ABS 2022d).

Dissaving action

Spending more than one has earned in a given period.

Equivalised disposable household income

Equivalised disposable household income enables the direct comparison of the relative economic well-being of households of different size and composition. It is obtained by adjusting total household income by the number of adult and child household members. For a single-person household, it is equal to disposable household income. For larger households, it is an indicator of disposable household income that would be needed by a single-person household to enjoy the same living standard (ABS 2022d).

Equivalised disposable household income is calculated by summing the personal disposable incomes of household members aged 15 years and over, divided by an equivalence factor (ABS 2022d). The equivalence factor is computed by summing 1 point to the first adult, 0.5 points to each additional person who is 15 years and over, and 0.3 to each child under the age of 15.

Equivalised total household income

Equivalised total household income is a measure of the economic resources available to a standardised household. It is obtained by adjusting total household income by the number of adult and child household members. For a single-person household, it is equal to household income. For larger households, it is an indicator of household income that would be needed by a single-person household to enjoy the same living standard (ABS 2021).

Equivalised total household income is calculated by summing the personal incomes of household members aged 15 years and over, divided by an equivalence factor (ABS 2017). The equivalence factor is computed by summing 1 point to the first adult, 0.5 points to each additional person who is 15 years and over, and 0.3 to each child under the age of 15 (ABS 2021).

Government pensions and allowances

Government pensions and allowances include payments such as Newstart allowance, Youth Allowance, Austudy, age pension, carer payment, Jobseeker payment, Defence Force income support allowance (where taxable), veteran payment (where taxable), invalidity service pension (where taxable), disability support pension (where taxable), and sickness allowance among others (ATO 2023a).

Income support paid by Services Australia

Income support payments are classed as benefits that generally serve as a recipient's primary source of income; they are regular payments that assist with the day-to-day cost of living (AIHW, 2021). For this report, income support payments are limited to those paid by Services Australia and do not include payments from DVA.

Income support paid by Services Australia are subject to means testing - as income and assets rise, the rate of payment is reduced towards zero. Some payments are also subject to activity tests; for example, to remain qualified for a payment, recipients of unemployment payments are required to actively look and prepare for work in the future. Individuals can receive only one income support payment at a time. Income support payments aim to alleviate poverty and hardship by ensuring that Australians without adequate income from employment or other sources are able to afford the necessities (Parliament of Australia, 2004).

The income support paid by Services Australia explored in this report include:

- Age Pension
- Student payments - Youth Allowance Student and Apprentice, Austudy
- Unemployment payments - JobSeeker Payment (from 20 March 2020) for people aged from 22 to Age Pension qualifying age, and Youth Allowance (other) for people aged 16 to 21
- Parenting payments - Parenting Payment Single and Parenting Payment Partnered
- Disability-related payments - Disability Support Pension and Carer Payment.

In this report, 'income support paid by Services Australia' is defined as the combination of all these payments, as well as other small payments. These include Special Benefit and Farm Household Allowance; as well as payments that are closed to new recipients but still paid to existing recipients such as Wife Pension.

Receipt of income support paid by Services Australia

The people described as receiving income support paid by Services Australia were those who had applied for one of the identified benefits

or allowances and had been assessed by Services Australia as eligible to receive the payment. Payments data was not used to identify this group.

Salary or wages

Salaries or wages includes bonuses, parental leave pay, dad-and-partner pay, lost salary or wages paid under income protection, sickness or accident insurance or workers compensation (ATO 2022d).

Total income or loss

Total income or loss for a financial year corresponds to the value on the bottom of page 3 on the ATO's tax return for individuals for the financial year (ATO 2022c).

Total income or loss is income before tax and deductions. It includes income from the following categories:

1. Salary or wages
2. Allowances, earnings, tips, director's fees etcetera
3. Employer lump sum payments
4. Employment termination payment
5. Australian Government allowances and payments like Newstart, Youth Allowance and Austudy payment
6. Australian Government pensions and allowances
7. Australian annuities and superannuation income streams
8. Australian superannuation lump sum payments
9. Attributed personal services income
10. Gross interest
11. Dividends
12. Employee share schemes
13. Supplement income or loss (for example, business income).

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Notes

Acknowledgements

The Australian Institute of Health and Welfare (AIHW) thanks and acknowledges the following organisations and groups for providing datasets and advice:

- [AIHW Veterans' Advisory Group](#)
- Australian Bureau of Statistics
- Australian Taxation Office
- Department of Defence
- Department of Social Services
- Department of Veterans' Affairs.

The AIHW also thanks and acknowledges internal staff from the Data Integration Service Centre for data linkage services, the Ethics, Privacy and Legal Unit for facilitating the ethics approval process, and the Specialist Capability Unit for providing statistical and methodological guidance.



Data

