



## Chapter

# 3

## Economic participation

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# 3 Economic participation

## Key points

- Economic participation refers to a person's engagement in education and employment, and access to economic resources including income and wealth. The various aspects of economic participation are inter-related, and are also associated with positive social and health outcomes.
- Educational attainment continues to increase, especially among women. In 2010, more than half the population aged 15–64 years (56%) had a non-school qualification.
- In 2010, people aged 25–54 years who had not completed Year 12 and had no non-school qualifications were more than twice as likely to be unemployed or outside the labour force as people with a bachelor degree or graduate qualification.
- 40% of Indigenous Australians aged 25–64 years had completed a non-school qualification in 2008, compared to 62% of non-Indigenous people. The greatest difference was in the attainment of bachelor or higher degrees.
- Labour force participation by people in their 60s has risen markedly over the past decade. In 2010–11, 62% of males and 44% of females aged 60–64 years were in the labour force, as well as one in three males and one in six females aged 65–69 years.
- A number of population groups had relatively low rates of employment (characterised by low labour force participation and/or high unemployment), including Indigenous Australians, people living outside capital cities, people with disability and their carers, lone parents, tenants of social housing and recent migrants.
- One-parent families were more than twice as likely as couple families with dependent children to be lower-income households in 2009–10 (39% compared to 17%).
- For many people, poverty is temporary. Around one in three people (35%) could be classified as poor at some time over the period 2001–2008, but for the majority poverty lasted 1–2 years. However, 2.1% of the population (around 450,000 people) experienced persistent poverty throughout the entire period.
- In 2009–10, one in four households (25%) received the majority of their income from government pensions or allowances.
- The largest income support program in 2009–10 was the Age Pension, with 2.2 million people receiving a full or part-pension.

## 3.1 Introduction

Broadly speaking, economic participation refers to an individual's engagement in work and/or education, and access to economic resources including income and assets. Economic participation conveys financial, health and social benefits to individuals, households and families and as such is central to population welfare. For example, higher levels of education and income are associated with lower prevalence of risk factors to health such as smoking and obesity, and better health outcomes generally (AIHW 2010a). Time spent in education is associated with lower criminal activity, greater social cohesion, and improved outcomes for children (Lochner et al. 2004; Murray 2007; Stacey 1998). Access to economic resources is positively linked to mental health and wellbeing and optimal child development (VicHealth 2005).

It is unclear the extent to which positive outcomes associated with education and employment are due to direct benefits of participation. Instead, access to participation may itself be an outcome of other advantages—for example, healthy people are better able to remain in the workforce or in formal education. A third possibility is that education and employment provide greater access to economic resources, and that income, wealth, and lower financial stress provide much of the direct effect of socioeconomic factors on wellbeing.

Economic participation is also of critical importance at the whole-of-society level. 'Chapter 1 Australia's people' described some of the challenges Australia is expected to face in the future as a consequence of population ageing, including the projected increase in dependency ratios as the share of the population of 'traditional working age' decreases. The third Intergenerational Report notes:

The ageing of the population is the major factor driving the slowing in economic growth. As the proportion of the population of traditional working age falls, the rate of labour force participation across the whole population is also projected to fall. The labour force participation rate for people aged 15 years and over is projected to fall to less than 61 per cent by 2049–50, compared with 65 per cent today (Treasury 2010).

Government spending on pensions and income support is projected to rise from 6.5% of GDP in 2014–15 to 6.9% in 2049–50 (Treasury 2010). The biggest driver behind this increase is expenditure on age-related pensions, which are projected to account for 3.9% of GDP in 2049–50—up from 2.7% in 2009–10. Increased workforce participation among older people will help to partially offset this expenditure growth, both directly and through the contribution of a longer working life to superannuation balances. While participation rates have been increasing, particularly among women, international comparisons show that there remains room for improvement, discussed below.

In recognition of this, the Council of Australian Governments (COAG) has identified economic and social participation as one of its five key themes of strategic importance for intergovernmental cooperation in policy development (COAG Reform Council 2011).

## 3.2 Participation in education

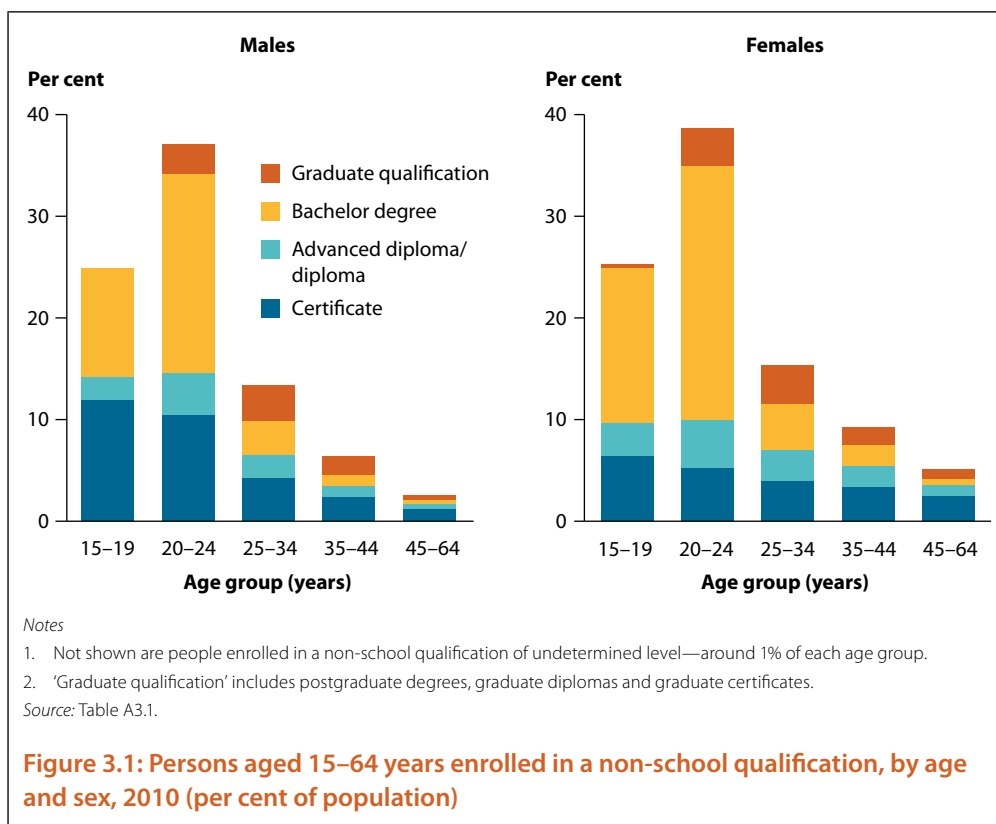
COAG has identified the critical role of education, including vocational training and early childhood development, in 'deliver[ing] significant improvements in human capital outcomes for all Australians ... [and strengthening] Australia's economic and social foundations'. In recognition of this, a series of intergovernmental reforms being pursued through COAG, known as the Productivity Agenda, encompass the areas of education, skills, training and early childhood development (COAG 2007).

While education is a particularly important factor in the wellbeing of children and young people, it is increasingly being seen as a lifelong process. The information presented in this chapter focuses on participation in education beyond compulsory secondary schooling. Detailed statistics relating to the education of children, including early learning in the pre-primary years, can be found in 'Chapter 4 Children and young people', which also expands the discussion of young people's participation in education and employment, and includes statistics about people undertaking apprenticeships.

### Patterns of participation in education

Overall, 12% of males and 14% of females aged 15–64 years were studying for a non-school qualification in 2010. Participation in most forms of study peaked in the age group 20–24 years and declined with increasing age thereafter, as did enrolment in formal education generally (Figure 3.1). The exceptions were certificate-level qualifications, for which enrolment was most common among younger people; and graduate qualifications, which were most commonly undertaken by people aged 25–34 years.

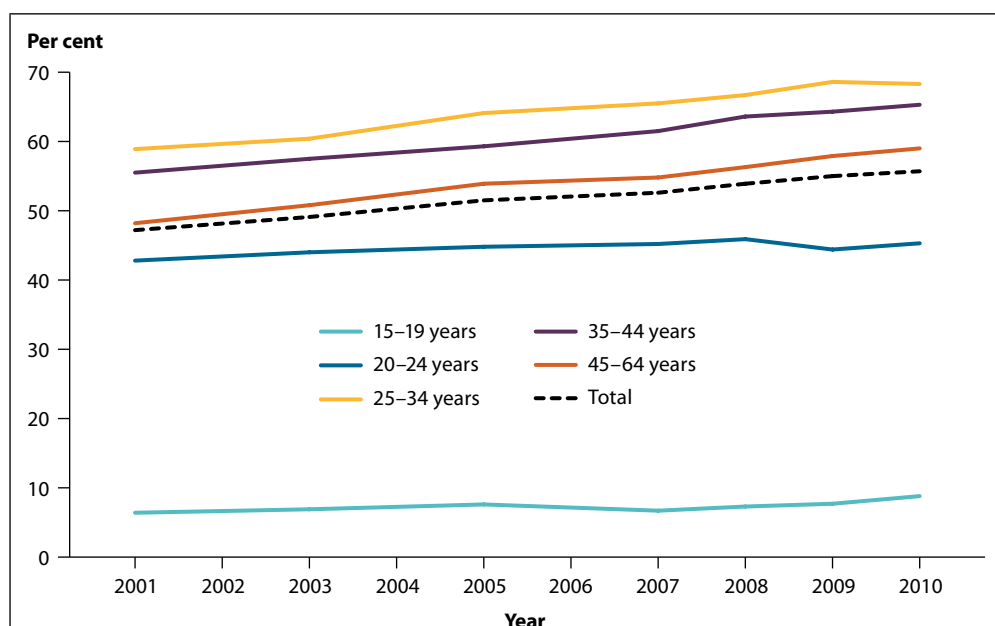
Formal participation in education was higher for females than males. Most of the difference was due to higher enrolment of females in bachelor degrees at all ages, but especially in the early 20s. One in four females (25%) aged 20–24 years were enrolled in a bachelor degree, compared to one in five males (20%).



Male and female participation in graduate qualifications and diplomas or advanced diplomas did not differ markedly; however, enrolment in certificate-level qualifications was significantly higher among young males than young females: 11–12% of males and 5–6% of females aged 15–24 years were enrolled in a certificate-level course in 2010. These include trade certificates, which males more commonly undertake (see the discussion on apprenticeships in Chapter 4). Further discussion of young people combining work with study is presented in Chapter 4, while 'Chapter 6 Ageing and aged care' includes statistics about the participation in education of people aged 65 years or over.

## Trends in educational attainment

Educational attainment has increased over the past decade, such that in 2010 more than half (56%) the population aged 15–64 years had a non-school qualification, compared to 47% in 2001 (Figure 3.2). This age group includes young people aged 15–17 years, many of whom are too young to have completed Year 12, and other young people still enrolled in their first non-school qualification. Attainment of non-school qualifications among the population aged 25–64 years rose by 10 percentage points between 2001 and 2010, from 53% to 63% (ABS 2010b). The growth in attainment rates was greatest for older age groups.



Source: Table A3.2.

**Figure 3.2: Persons aged 15–64 years with a non-school qualification, by age group, 2001–2010 (per cent)**

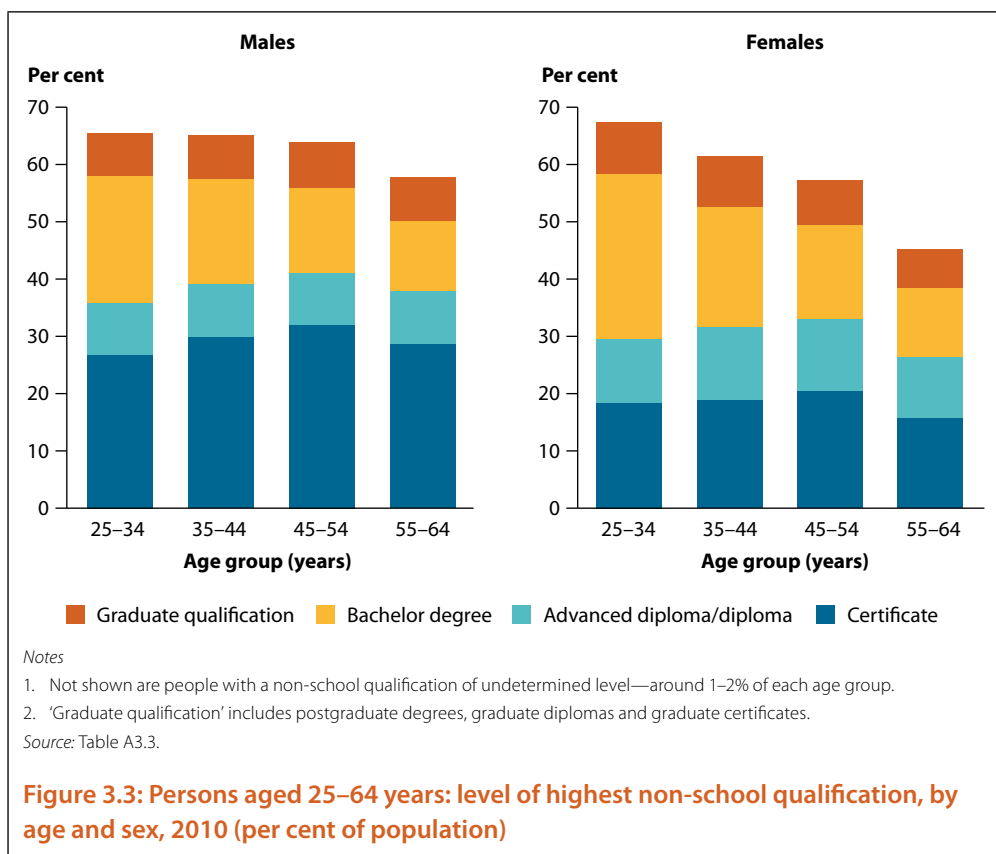
### 3

Despite relatively lower levels of participation in recent years, males are still slightly more likely than females to have completed a formal qualification, although the gap is closing. In 2010, 57% of males and 55% of females aged 15–64 years had completed a qualification of any level. By comparison, in 2001 attainment rates were 50% for males and 44% for females (ABS 2010b data cube).

The narrowing gender gap in educational attainment among the working age population can be attributed to two factors: greater participation in education currently observed among females, especially young women (Figure 3.1); and the ageing of a generation of women with relatively low levels of attainment which now places them outside the 15–64 years age group.

Figure 3.3 shows attainment of non-school qualifications by males and females by age cohort, excluding those aged less than 25 years as a large percentage of this age group are still enrolled in formal education. Among people aged 55–64 years in 2010, the gender gap in educational attainment was 12 percentage points (60% for males and 48% for females). The gap narrows to 4 percentage points among people aged 35–44 years, and among the youngest age group (25–34 years), educational attainment was slightly higher among females (69%) than males (67%).

Females were more likely than males to have completed a bachelor degree except for the oldest age group, in which attainment rates were similar for both sexes. In all age groups, a larger percentage of males than females had a certificate-level qualification as their highest non-school educational attainment.



A key part of COAG's education policy agenda is increasing educational attainment levels in the population. A target has been set of 90% Year 12 or equivalent attainment rates among people aged 20–24 years, to be achieved by 2015 (Ministerial Council for Federal Financial Relations 2009a). In 2010, the completion rate was 86% (ABS 2010b). Year 12 attainment is discussed in detail in Chapter 4.

### Educational attainment of Indigenous Australians

Aboriginal and Torres Strait Islander people, on average, tend to have lower levels of educational attainment than other Australians, although recent trends in Indigenous education are positive.

In 2008, fewer than one-quarter (22%) of Indigenous Australians aged 15–64 years had completed Year 12, compared to more than half (58%) of non-Indigenous people (ABS 2011d). Some of this difference could be due to population age structures, as a relatively higher proportion of the broad 15–64 years age group would be of school age in the Indigenous population than in the non-Indigenous population. The legacy of educational patterns of past generations is also evident—among people aged 45–54 years, 11% of Indigenous people and 47% of non-Indigenous people had completed Year 12. However, even among younger people Year 12 completion rates are significantly lower for Indigenous Australians. Around 30% of Indigenous people aged 25–34 years in 2008 had completed Year 12, compared to 73% of non-Indigenous people.

The National Indigenous Reform Agreement has set a target of halving the gap in Year 12 completion rates between Indigenous and non-Indigenous Australians by 2020 (Ministerial Council for Federal Financial Relations 2009b). Chapter 4 shows that, while the gap is closing, Indigenous students continue to be less likely to stay in school until Year 12 than non-Indigenous students.

People of Aboriginal and Torres Strait Islander origin also had relatively lower rates of completion of non-school qualifications. In 2008, around 40% of Indigenous people aged 25–64 years had completed a non-school qualification compared to 62% of non-Indigenous people (ABS 2011d). The greatest difference was in the attainment of bachelor degrees or higher qualifications (7% compared to 26%). The proportion of Indigenous Australians aged 25–64 years with a non-school qualification rose 8 percentage points over the period 2002–2008.

## International comparisons of educational attainment

In 2008, Australia ranked seventh highest in the OECD in terms of the percentage of 25–64 year olds who had attained a tertiary education (36%, compared to the OECD average of 28%). The countries with the highest tertiary attainment were Canada (49%), Japan (43%) and the United States (41%) (OECD 2010a: Indicator A1, table A1.3).

## The importance of education for economic participation

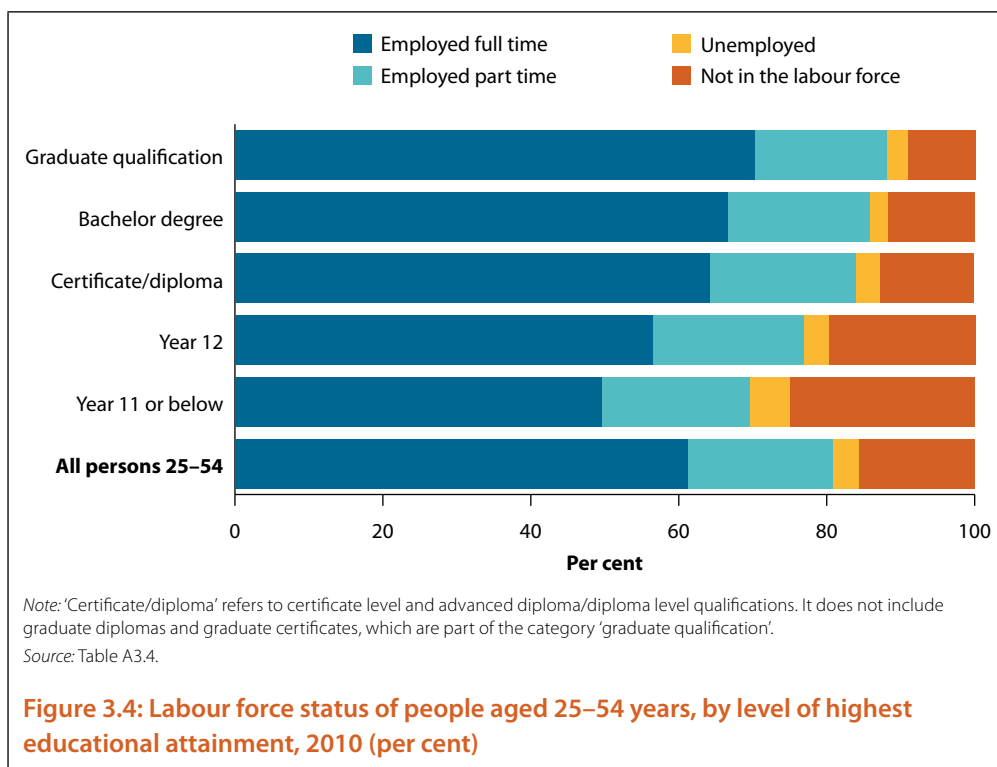
People who have completed a non-school qualification have higher rates of participation in the labour force and lower unemployment than people without any such qualification.

The age group 25–54 years is sometimes referred to as ‘prime working age’ as it excludes younger people (15–24 years) who are often still engaged in formal study, as well as people aged 55 years and over, many of whom leave the workforce before the traditional retirement age. In 2010, one in four people of ‘prime working age’ whose highest qualification was Year 11 or below were not in the labour force, compared to one in five people who had completed Year 12 but had no non-school qualifications, and around one in nine people with a bachelor degree or graduate qualification (Figure 3.4).

People with higher level qualifications were less likely to be unemployed once in the labour force. The unemployment rate in May 2010 for people aged 25–54 years with a bachelor degree or graduate qualification was 3.2%, compared to 7.2% for people whose highest educational attainment was Year 11 or below (Table A3.4).

The proportion of people employed part time did not vary considerably with educational attainment, with 18–21% of people aged 25–54 years working part-time across all attainment groups.





Earnings are also related to educational attainment. In 2009, the median earnings for employed people aged 15–64 years, excluding people who were still at school, were \$1,106 per week (Table 3.1). Median earnings were 30% higher (\$1,445 per week) among employed people with a graduate qualification, and 22% higher among employed people with a bachelor degree. Employed people whose highest qualification was Year 10 or below had median weekly earnings 18% below the national figure.

**Table 3.1: Median weekly earnings for employed persons aged 15–64 years not at school, by level of highest educational attainment, 2009 (\$)**

Graduate qualification	Bachelor Degree	Advanced diploma/ diploma	Certificate III/IV	Year 12	Year 11	Year 10 or below	Total
1,445	1,351	1,161	1,031	1,022	958	907	1,106

Note: 'Graduate qualification' includes postgraduate degrees, graduate diplomas and graduate certificates.

Source: ABS 2010a: Table 11.

### 3.3 Labour force participation

#### Box 3.1: Labour force concepts and terms

**Labour force:** The sum of the number of employed and unemployed persons.

**Employed:** Persons aged 15 years or over who, during the reference week of the ABS Labour Force Survey, worked for one hour or more for pay, profit, commission or payment in kind; or were employees, employers or own account workers who had a job but were not at work in the reference week.

**Unemployed:** Persons aged 15 years or over who were not employed during the reference week, and had actively looked for work at any time in the previous 4 weeks and were available for work in the reference week, or were waiting to start a new job within four weeks of the reference week and could have started in the reference week if the job had been available then.

**Employed part time:** Employed persons who usually worked less than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work in the reference week.

**Employed full time:** Employed persons who usually worked 35 hours or more a week (in all jobs) and those who usually worked less than 35 hours a week but worked 35 hours or more during the reference week.

**Long-term unemployed:** Persons aged 15 years or over unemployed for 52 weeks or more.

**Participation rate:** The labour force expressed as a percentage of the Australian civilian population or the specific population being considered. It is most commonly applied to people aged 15 years or over, but may also be limited to people of 'traditional working age' (15–64 years).

**Unemployment rate:** The number of unemployed persons expressed as a percentage of the total labour force for the population being considered.

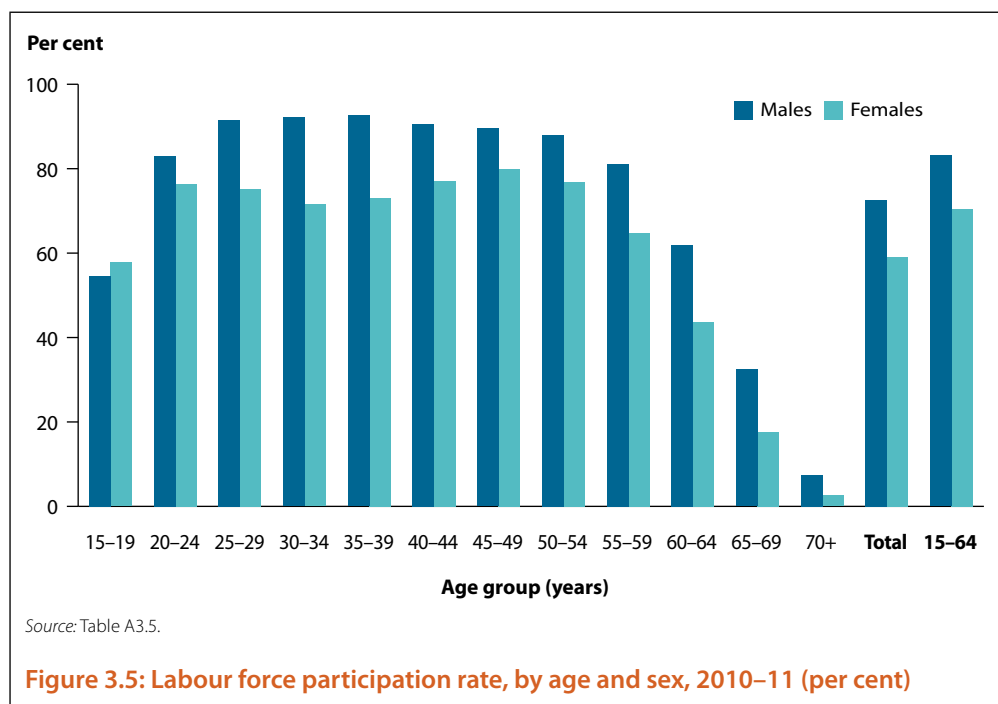
*Source:* ABS 2009b.

#### Labour force participation varies across the life cycle

The labour force participation rate in 2010–11, averaged across the financial year, was 73% for males and 59% for females. However, this includes people of Age Pension eligibility age, many of whom have permanently retired from the workforce. When people aged 65 years or over are excluded, the effective participation rate among people of 'traditional working age' was 83% for males and 70% for females (ABS 2011g).

Participation was higher for males than females in every age group except 15–19 years, with the gender gap greatest among people in their 30s (Figure 3.5). Between 25 and 49 years of age the male participation rate was stable at around 90–92%, whereas female participation experienced a dip throughout the 30s associated with the most common child-bearing years,

before peaking at 80% in the age group 45–49 years. Both male and female participation rates declined among people in their mid-50s and early 60s, evidence of some workers taking early retirement, as well as forced early exit from the labour force associated with increasing rates of disability in late middle age.



In the three decades to 2010–11, overall labour force participation increased by 4 percentage points: a 14-point rise among females partially offset by a 6-point decline among males (Table 3.2). In the absence of any other changes, population ageing would be expected to drive a small decline in the participation rate as an increasingly greater proportion of the population aged 15 years or over are of retirement age. However, the rate of male participation within the ‘traditional working age’ population (15–64 years) also decreased, from 87% in 1979–80 to 83% in 2010–11.

The biggest changes in labour force participation among males occurred in the 1980s; over the past decade or so the rate stabilised then increased slightly. Participation by females, on the other hand, continues to increase.

Table 3.2: Labour force participation rates, by sex, 1980–81 to 2010–11

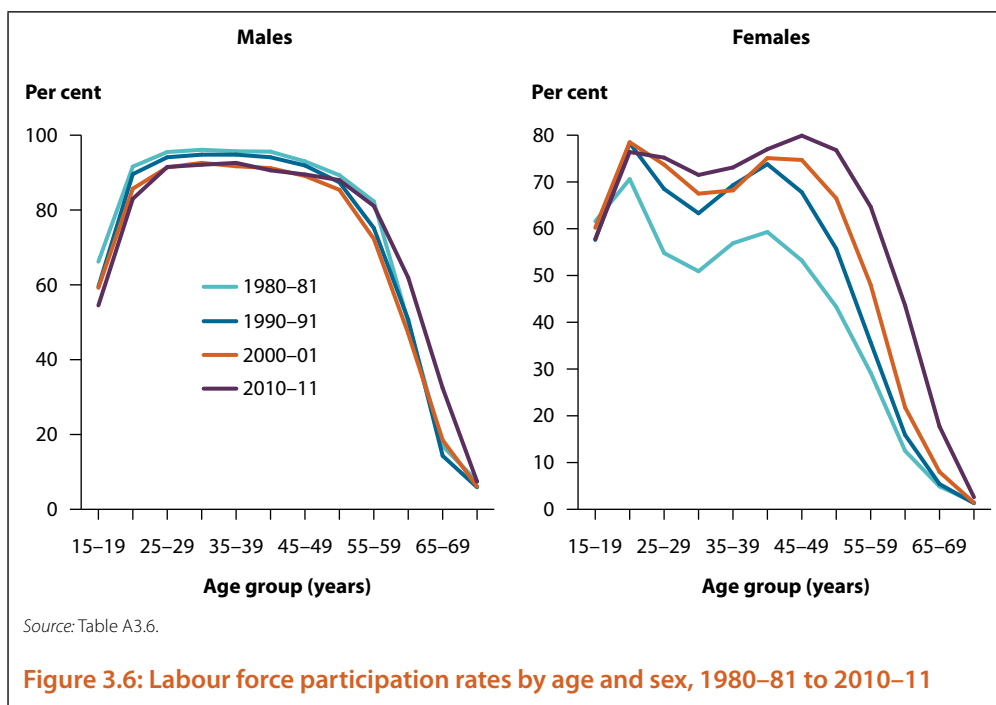
	1980–81	1990–91	2000–01	2010–11	Change (percentage points)
<b>Persons aged 15 years or over</b>					
Males	78.3	75.3	72.1	72.5	–5.8
Females	44.8	52.3	54.9	59.0	14.2
Persons	61.3	63.6	63.4	65.7	4.4
<b>Persons aged 15–64 years</b>					
Males	86.7	84.8	82.4	83.1	–3.6
Females	52.1	61.9	65.8	70.4	18.3
Persons	69.5	73.5	74.1	76.7	7.2

Source: AIHW analysis of ABS 2011g: Data cube LM2.

Compared to 1980–81, male participation in the labour force was lower in 2010–11 for every age group under 60 years (Figure 3.6). The difference was greatest among people aged 15–24 years, which may be related to increasing retention rates at school and participation in non-school education among young people (Chapter 4). In contrast, participation among males aged 60–64 years and 65–69 years rose considerably over the past decade, from 47% and 19%, respectively, in 2000–01 to 62% and 32% in 2010–11.

Examination of age-specific participation rates for females show that the growth in female participation over the past three decades reflects two different trends. First, the fall in participation rates associated with child bearing was considerably shallower and occurred later in life in 2010–11 compared to 1980–81 (Figure 3.6). This change largely emerged in the 1980s. Second, labour force participation by women aged in their 50s and 60s roughly doubled between 1980–81 and 2010–11.

Some of this can be attributed to the increase in the Age Pension qualifying age for women, which was set at 60 years until 1995 and has increased by 6 months every 2 years thereafter. In 2010–11 (when the qualifying age was 65 years), 44% of women aged 60–64 years were in the labour force—double the participation rate of the same age group in 2000–01 (22%), when around half the cohort were eligible for the Age Pension. However, participation rates among women aged 55–59 years increased markedly in the past decade, from 48% in 2000–01 to 65% in 2010–11 (Figure 3.6), indicating a more widespread shift in labour force engagement than is driven by pension changes. Women currently in their 50s are part of a cohort with a history of greater labour force participation than their predecessors, and it may be that attitudes that drove the changes observed in the 1980s continue in later life. Further, the increased participation of males in their 60s shows that engagement in the paid workforce in the lead-up to the traditional retirement age is changing for both sexes.



### Box 3.2: How does Australia's labour force participation compare internationally?

In 2010, the labour force participation rate for Australians of 'traditional working age' (15–64 years) was 76.5%, ranking 10th out of 34 OECD countries. Australia's performance varied considerably for different age groups:

- The participation rate for younger workers (15–24 years) was among the highest in the OECD behind Iceland and the Netherlands.
- Participation of 'older workers' (55–64 years) ranked 11<sup>th</sup> for males and 12<sup>th</sup> for females, slightly above the median for all OECD countries. Iceland, Sweden and New Zealand had the highest participation rates in this age group.
- On the other hand, Australia's participation rates among 'prime age workers' (25–54 years) were in the bottom third of the OECD, ranked 24<sup>th</sup> for both sexes. While Australian males in this age group participated at a rate similar to those in the United States (89.3%) and Canada (90.5%), and only slightly behind the United Kingdom and New Zealand (91.4% and 91.8%, respectively), in many non-English-speaking OECD countries more than 93% of 'prime age' males were in the workforce.

(continued)

### Box 3.2 (cont.): How does Australia's labour force participation compare internationally?

Table 3.3: Labour force participation rates for Australia and the OECD, 2010

	OECD median <sup>(a)</sup>	Australia	Rank <sup>(b)</sup>
<b>Younger workers (15–24 years)</b>			
Males	47.0	69.8	2
Females	39.1	67.3	3
<b>Persons</b>	<b>43.1</b>	<b>68.6</b>	<b>3</b>
<b>'Prime age' workers (25–54 years)</b>			
Males	92.3	90.6	24
Females	79.2	75.2	24
<b>Persons</b>	<b>86.0</b>	<b>82.8</b>	<b>25</b>
<b>Older workers (55–64 years)</b>			
Males	66.3	71.3	11
Females	46.1	54.2	12
<b>Persons</b>	<b>58.0</b>	<b>62.7</b>	<b>11</b>

(a) Average of 17th and 18th ranked countries

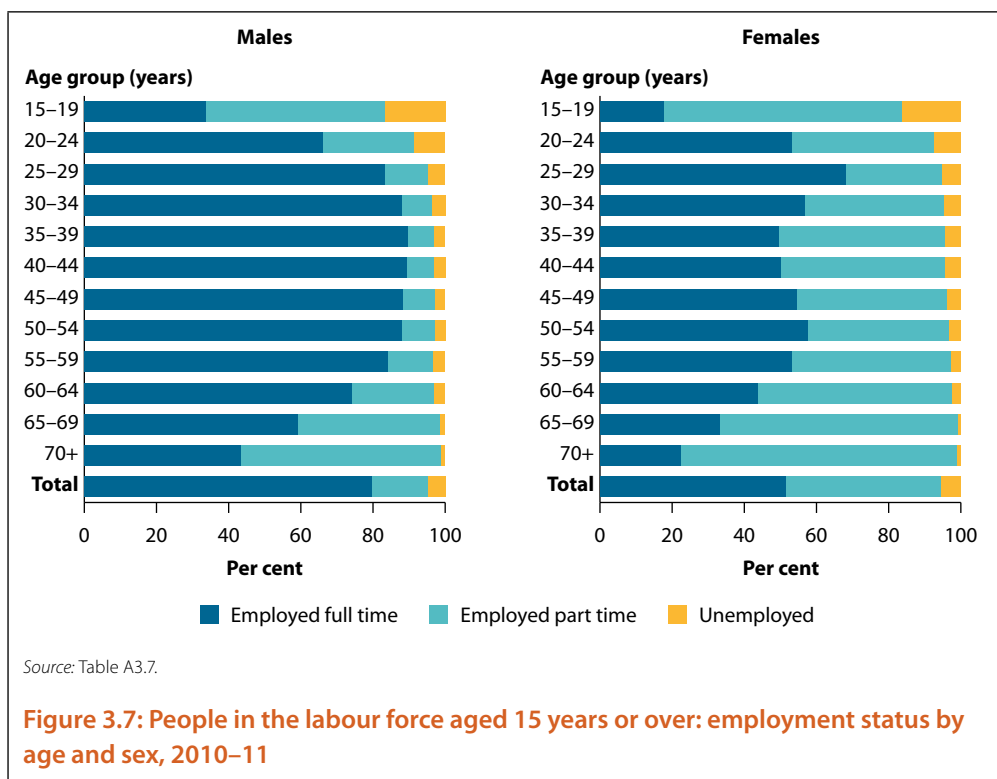
(b) Australian rate ranked against 34 OECD countries, where the highest participation rate is ranked 1st.

Source: OECD 2011.

## Part-time workers

In 2010–11, almost one in three (30%) people who were employed worked part-time—that is, less than 35 hours per week (AIHW analysis of ABS 2011g). Part-time employment was more common for females than males in all age groups. In total, females were 3 times as likely as males to be employed part-time (46% compared to 16%). The gender gap was largest in the 35–44 years age group, likely associated with child care responsibilities. The youngest and oldest workers disproportionately undertook part-time work, as discussed further below in 'Labour force participation among selected population groups'.

The percentage of employees who work part-time has almost doubled over the past three decades. In particular, the percentage of employed males who worked part-time tripled over this period, rising from 5% in 1980–81 to 16% in 2010–11 (AIHW analysis of ABS 2011g).

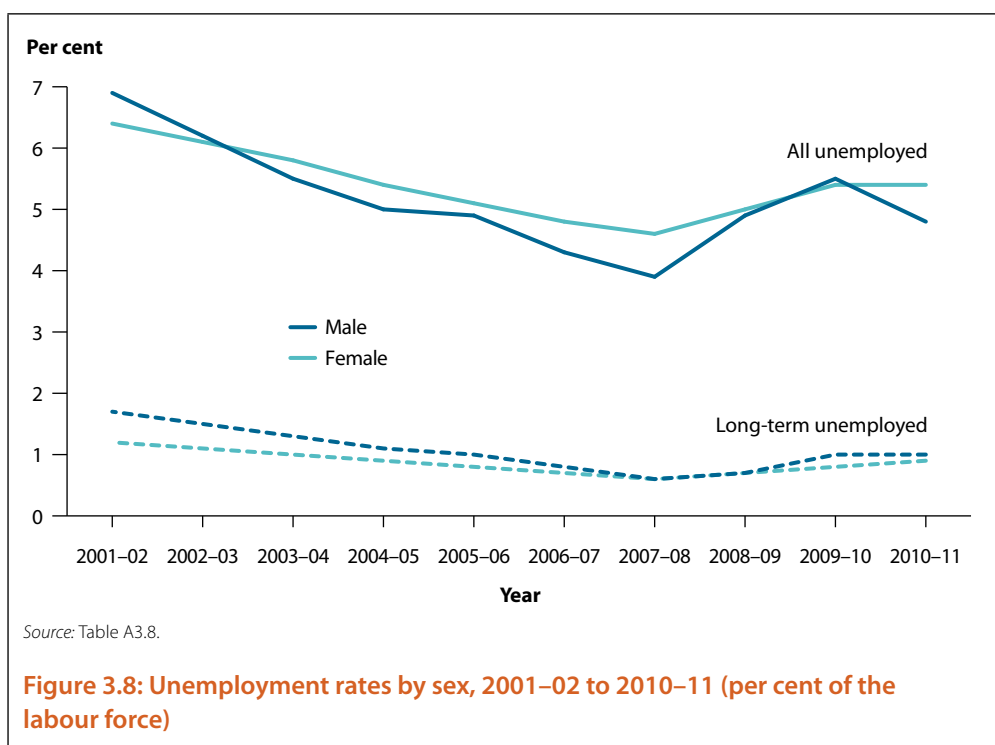


## Unemployment

The unemployment rate fell from a high of 11.0% in August 1992–February 1993 to just 4.1% in March–April 2008. Following the onset of the GFC the rate rose briefly to 5.8% in mid-2009 before resuming its decline (ABS 2011h, trend series). The average unemployment rate for the 2010–11 financial year was 5.1%.

There was a small gender gap in unemployment rates in 2010–11: the overall rate was 4.8% for males and 5.4% for females (Figure 3.7). Unemployment rates were generally lower at older ages. In particular, the unemployment rate of people aged 65 years or over was only 1.3%, likely because older people who have difficulty finding employment may choose to retire rather than remain in the labour force. On the other hand, unemployment rates were much higher among young people, discussed further below. The unemployment rate appears to be more volatile for males than females (Figure 3.8).

People who have been unemployed for 52 weeks or more are classified as ‘long-term unemployed’. The long-term unemployment rate fell from 1.5% of the labour force in 2001–02 to just 0.6% in 2007–08, before rising to 1.0% in 2010–11 (Figure 3.8). In February 2011 approximately 115,500 people were long-term unemployed—equal to one in five unemployed people (ABS 2011g, trend series). The median length of unemployment for this group was 86 weeks, compared to 9 weeks for unemployed people generally (unpublished ABS data provided to AIHW).



## 3

## Labour force participation among selected population groups

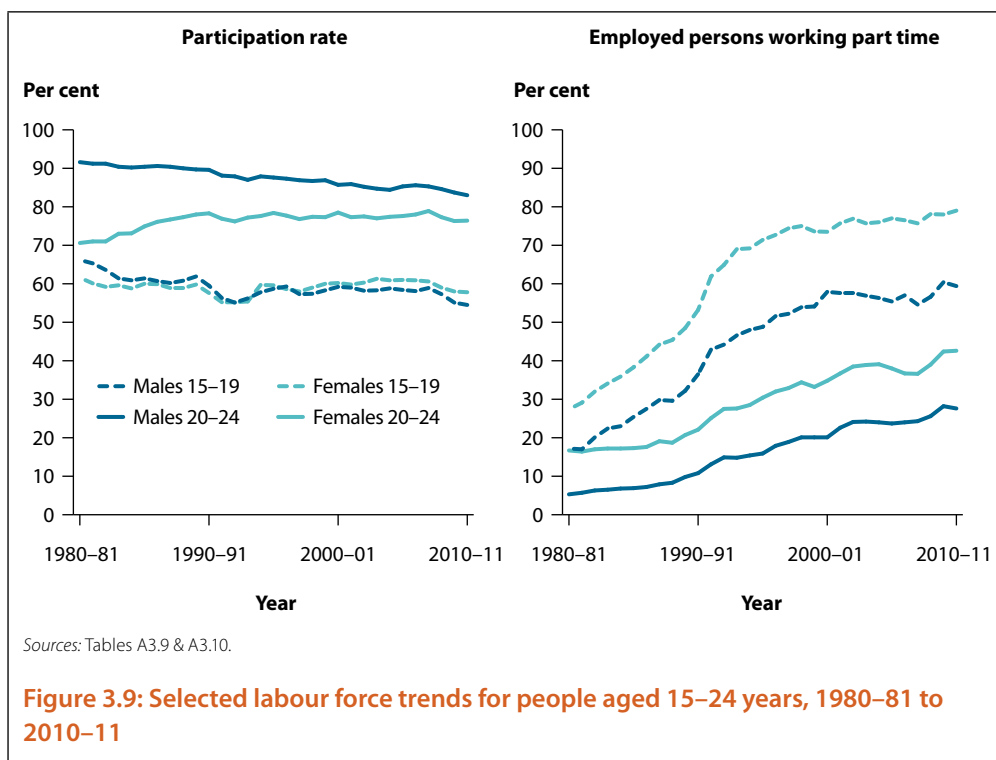
### Young people (15-24 years)

More than half (56%) of all Australians aged 15-19 years participated in the labour force in 2009-10, with this rate not varying markedly over recent decades for either males or females (Figure 3.9). On the other hand, participation among young women aged 20-24 years rose from 71% in 1980-81 to 76% in 2010-11, accompanied by a decline in the participation of young men of the same age (from 92% to 83%). This reflects the wider population trends in participation rates, discussed above.

Increasing rates of part-time work represent a significant shift in young people's engagement in the labour force in recent generations. The percentage of workers aged 15-24 years who were employed part-time tripled between 1980-81 (15%) and 2010-11 (46%) (AIHW analysis of ABS 2011g). While part-time work was most common among teenagers, 28% of males and 43% of females aged 20-24 years who were employed worked part-time in 2010-11 (Figure 3.9). High rates of part-time work among young people is a notable feature of Australia's pattern of labour force participation compared to many other developed countries: in 2009 the percentage of Australian workers aged 16-24 years employed on a part-time basis was considerably higher than the average for OECD countries (43% compared to 26%, based on a common definition of part-time employment as less than 30 hours per week; OECD 2010b).

The increasing likelihood for young people to work part-time may be related to the trend towards greater participation in post-secondary education, as many young people combine education with part-time work (discussed in detail in Chapter 4).





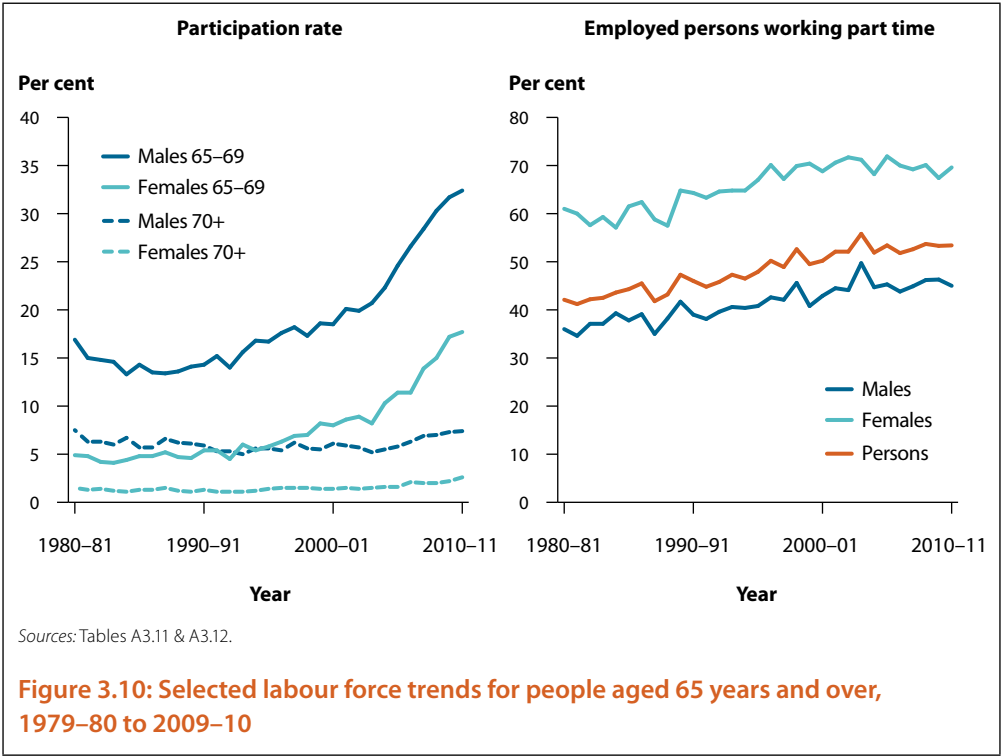
Youth unemployment is a significant social and economic concern, with the unemployment rate for 15–24 year olds (11.5% in 2010–11) more than double the rate in the wider labour force (ABS 2011g). Almost one-quarter (23%) of unemployed people were aged 15–19 years, with another 18% aged 20–24 years. However, Australia's youth unemployment rate in the third quarter of 2010 (11.0%) was tenth lowest out of 34 OECD countries, well below the average of 18.5% (OECD 2010b). While almost all OECD countries experienced a rise in youth unemployment rates as a result of the GFC, the increase in Australia (2.1 percentage points) was less than half the OECD average (5.3 percentage points).

### Older Australians (65 years and over)

A significant percentage of Australians remain in the workforce beyond the traditional retirement age. Around one in three (32%) males and one in six (18%) females aged 65–69 years participated in the labour force in 2010–11, along with 7% of males and 3% of females aged 70 years or over (Figure 3.5). The participation rate for older Australians has risen markedly over the past decade, mainly among people in their late 60s (Figure 3.10).

Despite the recent increase, Australia lags behind a number of other developed countries in terms of labour force participation among older people. When males and females are considered together, 24% of Australians aged 65–69 years were in the labour force in 2010. This is similar to the OECD average (also 24%), but considerably lower than countries such as the USA (29%), New Zealand (36%) and Japan (38%). In Iceland, where the statutory retirement age is 67, half (50%) of the population aged 65–69 were still in the labour force in 2010 (OECD 2011).

Just over half (53%) of employed Australians aged 65 years or over worked part-time in 2010–11—45% of males and 70% of females. Rates of part-time work among older workers have stabilised in recent years after climbing throughout the 1990s for both males and females (Figure 3.10).

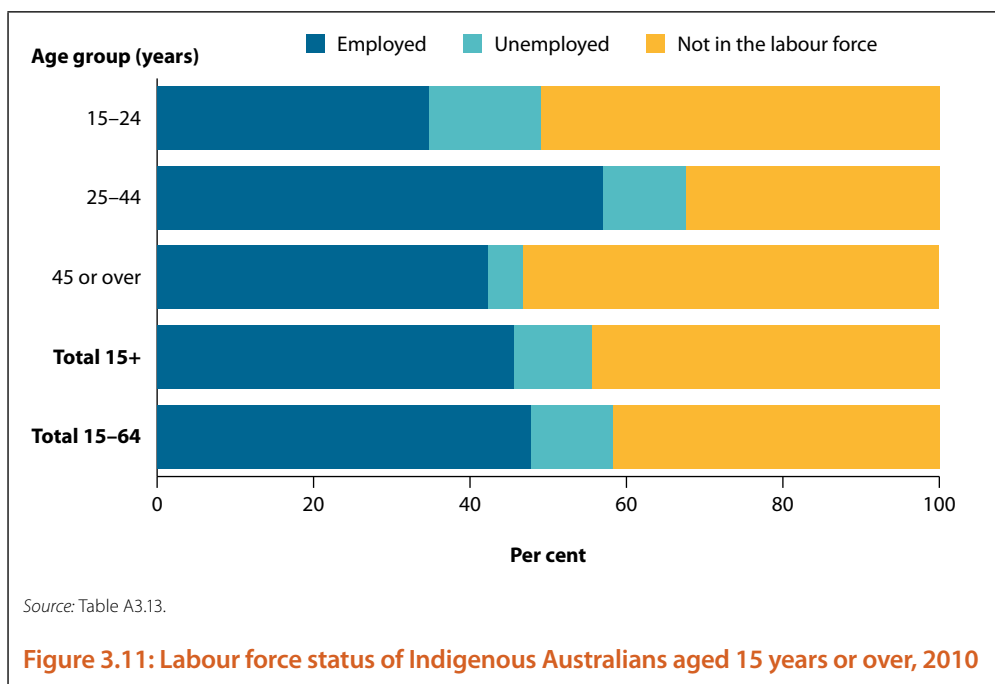


**Aboriginal and Torres Strait Islander people**

In 2010, 62% of Aboriginal and Torres Strait Islander males and 50% of females participated in the labour force, resulting in an overall participation rate of 56% (ABS 2011f). The unemployment rate for Indigenous Australians was 18%. These factors combined mean that less than half (46%) of Indigenous people aged 15 years or over were employed in 2010. People living in *Major cities* were more likely than people living in *Regional or remote* areas both to participate in the labour force and to be employed.

Employment among young Indigenous people was particularly low: 35% of those aged 15–24 years were employed in 2010, and half (51%) were not in the labour force (Figure 3.11). Another 14% were unemployed, resulting in an unemployment rate of 29%. Indigenous people aged 25–44 years were most likely to be employed (57%, with 11% unemployed and 32% not in the labour force). Unemployment was lowest among people aged 45 years or over, but just over half (53%) of this age group was not in the labour force.

Participation in employment varies considerably with age, and the Indigenous population has a younger age structure than the non-Indigenous population (Chapter 1). Further, a relatively high proportion of Indigenous people live in remote areas, which generally have an underdeveloped labour market (ABS 2011f). Therefore direct comparisons of labour force statistics between Indigenous and non-Indigenous populations should be undertaken with caution.



### Families with children

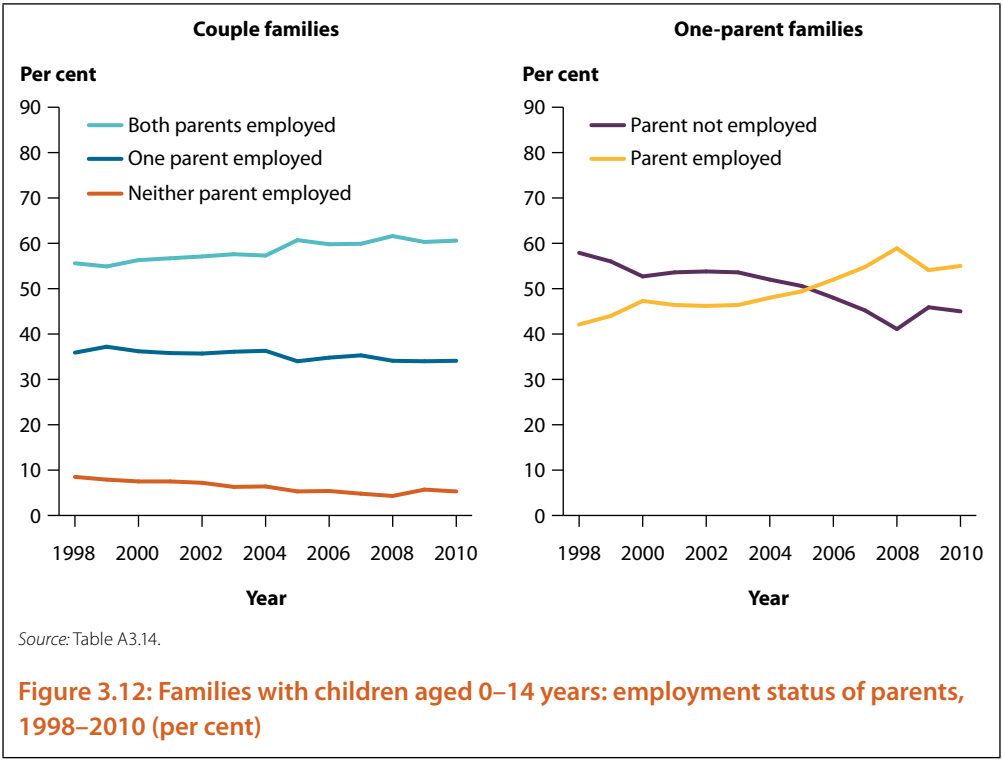
Greater participation of women in the workforce, as well as the trends of family formation (see 'Chapter 2 Family and household structure') and childbirth occurring at later ages than in previous decades (Chapter 1), mean that mothers, in particular, are increasingly likely to be employed while their children are young.

In 2010, the most common working arrangement for couples with children aged 0–14 years was for both parents to be employed (61%), often with the mother working part-time (37% of all couple families; ABS 2011c). In one in three couple families (34%) one parent was employed; this was usually the father. Between 1998 and 2010 the percentage of couple families with children in which both parents were employed increased from 56% to 61% (Figure 3.12).

Just over half (55%) of all lone parents with children aged 0–14 years were employed in 2010 (Figure 3.12). Lone mothers—who accounted for 87% of all one-parent families with children aged under 15—were more likely to be employed part-time (28%) than full-time (26%; AIHW analysis of ABS 2011c).

Families in which there was no employed parent living in the household are referred to as jobless families. Research has shown the importance of having a working parent as a role model and the relative lack of change in the circumstances of families in low socioeconomic areas between generations (D'Addio 2007). Negative outcomes associated with living in jobless families, for both parents and children, include poverty, lower educational attainment and poor health (Whiteford 2009). The Australian Government's social inclusion agenda has identified jobless families as a priority area for targeted action, acknowledging the intergenerational effect of poverty in general and joblessness specifically.

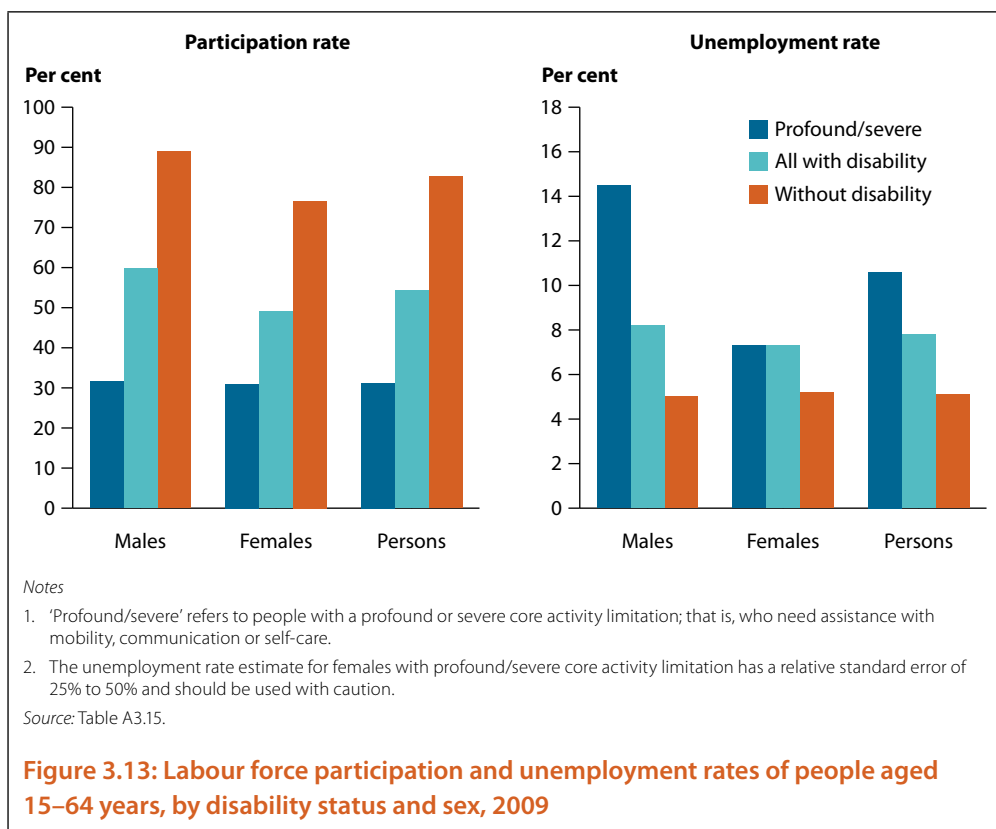
Between 1998 and 2010 the percentage of couple families that were jobless fell from 8.5% to 5.3%. One-parent families were much more likely to be without employment, but joblessness also fell among these families, from 58% to 45% (Figure 3.12).



### People with disability

People with disability, on average, are less likely to be in the labour force than people without disability, and when in the labour force are more likely to be unemployed (Figure 3.13). In 2009, the participation rate for people aged 15–64 years with disability was 54%, compared to 83% among people without disability. The participation rate was 31% among people of working age who needed assistance with core activities of daily living ('profound or severe core activity limitation'). People with disability also experienced a higher unemployment rate (7.8%) than people without disability (5.1%). Unemployment among people with a severe or profound core activity limitation (10.6%) was twice the national rate.

When both lower participation and higher unemployment are taken into account, half (50%) of all people aged 15–64 years with disability and just over one-quarter (28%) of people with a profound or severe core activity limitation were employed, compared to more than three-quarters (79%) of people without disability (Table A3.15).



### Informal carers

Providing intensive and ongoing care for a person with disability has an impact on the opportunities for carers to be involved in paid employment. In 2009, primary carers aged 15–64 years had a labour force participation rate of 54%—the same as people with disability (54%), and significantly below the participation rate for the general population of 'traditional working age' (79%; Table A3.16). Participation rates were lower for female primary carers (51%) than males (61%). Primary carers also had relatively high rates of part-time employment: 28% of males and 60% of female primary carers who were employed in 2009 worked part-time (AIHW analysis of unpublished ABS Survey of Disability, Ageing and Carers data).

In part, these patterns may be related to the age structure of the population of informal carers: 25% of primary carers were aged 65 years or over and another 45% were 45–64 years (Table A7.2)—age groups that have higher rates of part-time work and lower rates of labour force participation than the overall working age population (Figures 3.5 and 3.7). However, the overall participation rate of primary carers is lower than the age-specific rates for all age groups except 60–64 years.

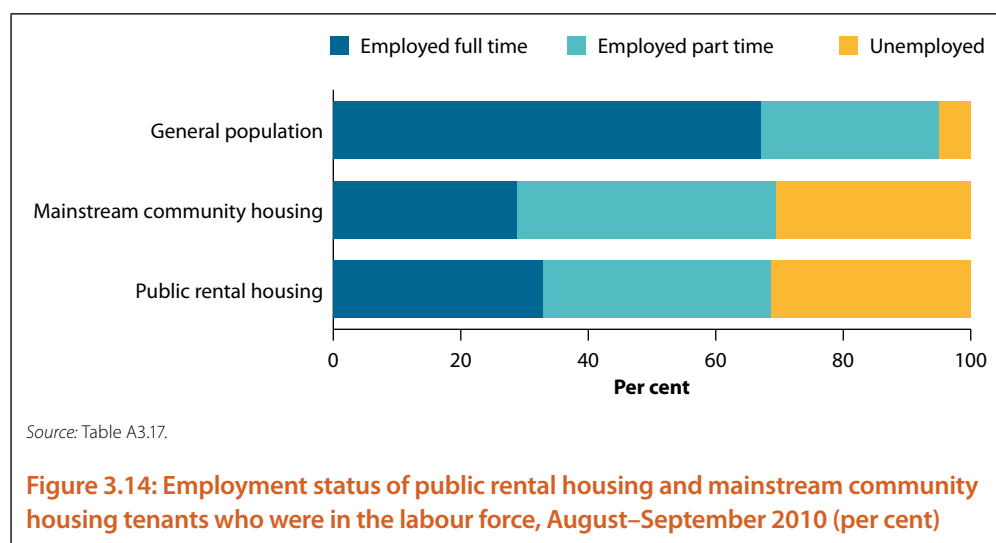
Based on estimates from the 2009 Survey of Disability, Ageing and Carers, 39% of primary carers aged 15–64 years who were not working (around 106,500 people) would like to combine paid employment with their caring role (unpublished ABS Survey of Disability, Ageing and Carers data). Perceived barriers to entering the paid workforce while in the caring role included difficulties making suitable alternative care arrangements and arranging working hours.

According to the 2006 Census, non-Indigenous carers were 1.5 times more likely to be employed than were Indigenous carers, after adjusting for differences in the age structure of the Indigenous and non-Indigenous populations (ABS & AIHW 2008).

### Social housing tenants

Around half of all adult tenants of public rental housing (52%) or mainstream community housing (48%) were not in the labour force in late 2010, compared to one-third (34%) of the overall Australian population aged 18 years or over (AIHW 2011b). In part, this is related to the relatively high percentage of social housing tenants who are past the traditional retirement age or who have disability (Chapter 9).

Among those tenants of public rental housing or mainstream community housing who were in the labour force, the unemployment rate was 31% (Figure 3.14). Further, part-time employment was more common than full-time employment, in contrast to the general population.



### People who are homeless or at risk of homelessness

Participation in employment by people who are homeless or at risk of homelessness has multiple benefits. As well as providing access to economic resources, employment also facilitates social contact and engagement with mainstream society.

The majority of clients of specialist homelessness services were not in paid employment. In 2009–10, almost two-thirds (65%) of periods of support were for people who were not in the labour force when they first sought support; a further 26% were unemployed and only 9% were employed. Employment rates among people who specifically required assistance with employment and training increased from 11% before receiving support to 21% at the end of the support period; however, 30% remained unemployed. Generally, employment outcomes for clients of homelessness services increased the longer support was provided (AIHW 2011a).

Further details about clients of specialist homelessness services and the supports they receive are provided in 'Chapter 8 Homelessness'.

## Migrants

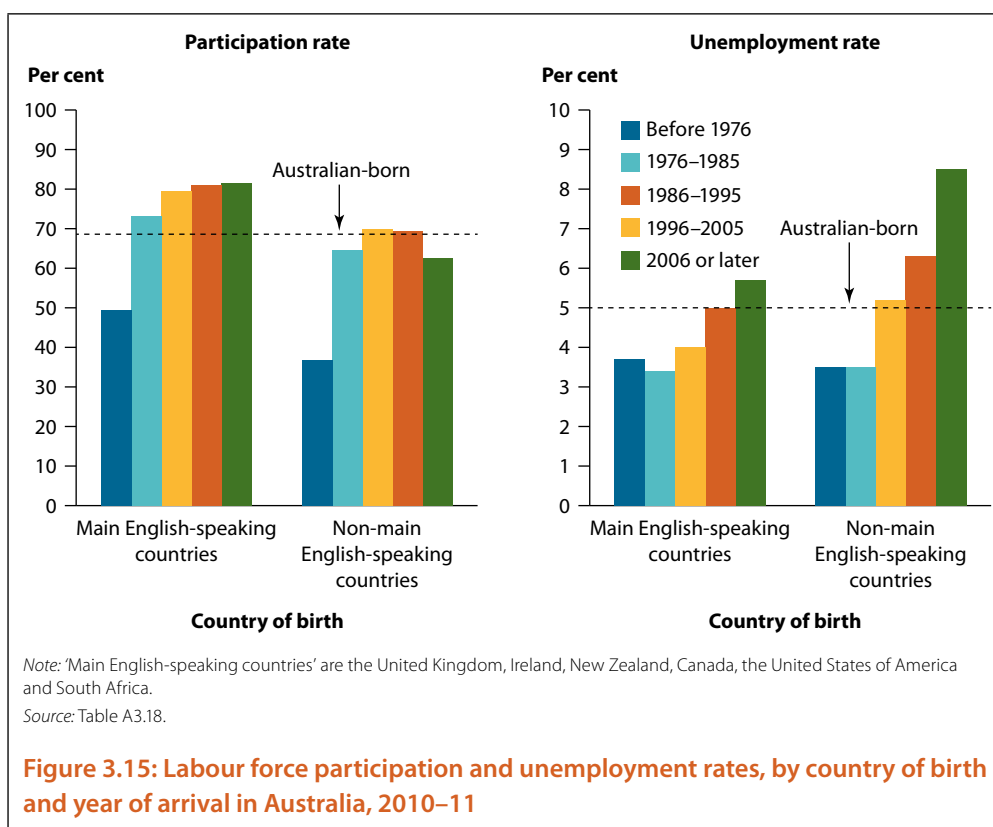
More than a quarter of the labour force (27%) in 2010–11 were people born overseas—11% born in *main English-speaking countries* and 17% born in other countries (ABS 2011g). ‘*Main English-speaking countries*’ are the United Kingdom, Ireland, New Zealand, Canada, the United States of America and South Africa. It should be noted that a person born in one of these countries (or in Australia) is not necessarily proficient in English, nor can a person born in a *non-main English-speaking country* be assumed to have poor English language skills. Therefore while there may be a relationship at the broad level, data about country of birth is not interchangeable with proficiency in English.

People born in *main English-speaking countries* had a participation rate similar to people born in Australia (68% and 69%, respectively), but participation was lower among people born in *non-main English-speaking countries* (58%). Unemployment rates were highest for people born in *non-main English-speaking countries* (5.7%), followed by people born in Australia (5.0%); for people born in the *main English-speaking countries* the unemployment rate in 2010–11 was 4.4% (ABS 2011g).

Recent migrants (that is, people who arrived in Australia in 2006 or later) experienced higher unemployment rates than long-term migrants or people born in Australia, regardless of whether they were born in a main English-speaking or other country (Figure 3.15). On the other hand, labour force participation of recent and long-term migrants varied between country groups. Among those born in *main English-speaking countries*, participation rates were highest for recent migrants, while recent migrants from other countries were less likely to be in the labour force than people who arrived in Australia between 5 and 25 years ago. Fewer than half of all people who migrated to Australia prior to 1976 were in the labour force, as many in this group will have reached retirement age.

The most common difficulties finding work that recent migrants reported were lack of Australian work experience or references, language difficulties, and lack of local contacts or networks (ABS 2011b).

See Chapter 1 for more information about patterns of migration to Australia.



### People living in regional areas

Labour force participation varies across geographical regions. In 2010–11, in most states, participation rates were higher and unemployment rates lower in capital cities than in the remainder of the state (Table 3.4). The exception was South Australia, in which unemployment was slightly higher in Adelaide than in the regional areas.

The ACT had the highest participation rate (82% of the population of 'traditional working age') and unemployment was lowest in the NT (2.9%), although these numbers should be interpreted with caution due to the small sample size of these jurisdictions in the ABS Labour Force Survey. Among the more populous jurisdictions, participation was greatest in Western Australia and Queensland (78%), and lowest in Tasmania (74%).



**Table 3.4: Labour force participation and unemployment by state/territory and region, 2010–11**

	Participation rate <sup>(a)</sup>			Unemployment rate <sup>(b)</sup>		
	Capital city	Balance of state	Total	Capital city	Balance of state	Total
New South Wales	75.7	74.0	<b>75.1</b>	5.0	5.6	<b>5.2</b>
Victoria	77.2	76.2	<b>77.0</b>	4.9	6.1	<b>5.2</b>
Queensland	78.7	77.6	<b>78.1</b>	5.0	6.1	<b>5.6</b>
South Australia	76.9	75.6	<b>76.5</b>	5.7	5.3	<b>5.6</b>
Western Australia	79.0	76.7	<b>78.4</b>	4.3	4.8	<b>4.4</b>
Tasmania	74.5	73.2	<b>73.8</b>	4.8	6.5	<b>5.7</b>
Northern Territory	n.a.	n.a.	<b>77.0</b>	n.a.	n.a.	<b>2.9</b>
Australian Capital Territory	n.a.	n.a.	<b>82.0</b>	n.a.	n.a.	<b>3.5</b>

(a) Labour force as a percentage of the population aged 15–64 years.

(b) Number of unemployed people as a percentage of the labour force.

Note: Capital cities are defined as the Sydney, Melbourne, Brisbane, Adelaide and Perth Major Statistical Regions and the Hobart Statistical Division.

Source: AIHW analysis of ABS 2011g; Data cube LM2.

## 3.4 Household economic resources

An individual or household's access to economic resources is of critical importance to their health and wellbeing, including the ability to participate in the community. Income is the most direct form of economic resource, and for many people it is the primary determinant of economic wellbeing. Wealth is a less direct measure of economic participation than income, as it partly reflects the cumulative effects of past activity as well as windfall gains including inheritances. However, wealth can provide long-term financial security, allowing people to draw on their assets to support a higher standard of living than is provided by income alone.

Household income and expenditure surveys have shown that the average net worth of households in the lowest income decile (that is, the 10% of households with the least income) is higher than for households in the second and third income deciles (the next two lowest ranked groups) (ABS 2006: Appendix 4). Further, the average expenditure for households in the lowest income decile is greater than the expenditure for households in the second income decile, suggesting that some lower-income households have access to relatively more economic resources and higher levels of economic participation. These patterns emphasise the importance of considering income and wealth together when assessing the relative access different population groups have to economic resources.

### Box 3.3: Equivalised disposable household income

Disposable income is gross (total) income minus income tax, the Medicare levy and the Medicare levy surcharge—that is, the net income available to a person or household to support consumption and/or saving.

While individuals usually receive income, it is normally shared between partners in a couple relationship and with dependent children. To a lesser extent, it may be shared with other children, other relatives and possibly other people living in the same household, for example through the provision of free or low-cost accommodation. Even when there is no transfer of income between members of a household, nor provision of free or low-cost accommodation, members are still likely to benefit from the economies of scale that arise from the sharing of dwellings. Therefore household income measures are usually used for the analysis of people's economic wellbeing.

Larger households normally require a greater level of income to maintain the same material standard of living as smaller households, and the needs of adults are normally greater than the needs of children. The income estimates are therefore adjusted by equivalence factors to standardise them for variations in household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings. The resultant estimates are known as *equivalised household income*.

Equivalised household income can be viewed as an indicator of the economic resources available to a standardised household. For a lone-person household, it is equal to income received. For a household comprising more than one person, equivalised income is an indicator of the household income that a lone-person household would require in order to enjoy the same level of economic wellbeing as the household in question.

Source: ABS 2009a.

## Household income

In 2009–10, the median equivalised disposable (that is, after tax) household income was \$715 per week. The bottom 20% of households had an equivalised disposable income of \$425 or less and represented 7% of all household income, while the top 20% of households (those earning more than \$1,145 per week) accounted for 40% of all household income (ABS 2011e).

Income varied between households of different composition, even after applying equivalence factors (Box 3.3). Around 18% of households comprising a couple with dependent children were in the top fifth of the income distribution ('higher income households') compared to 4% of one-parent families with dependent children (Table 3.5). 'Lower-income households' (those in the second and third deciles of the income distribution) accounted for more than one in three (39%) one-parent families with children, compared to 17% of couples with dependent children.

While household income data doesn't include information about the sex of household members, other data sources discussed here and in Chapter 2 show that one-parent families are disproportionately headed by women, and women have lower rates of labour force participation and full-time employment than men. The tendency for women to have lower

incomes during the traditional working years has implications for their long-term wealth and financial security, placing them at increased risk of dependence on income support and social housing in their later years.

**Table 3.5: Income<sup>(a)</sup> measures for selected household types, 2009–10**

	Median weekly income (\$)	% lower income <sup>(b)</sup>	% higher income <sup>(c)</sup>
<b>One family households with children</b>			
Couples with dependent children	738	16.9	18.4
One-parent with dependent children	478	38.9	3.6
Other families <sup>(d)</sup>	825	13.4	25.2
<b>Couple-only households</b>			
Reference person 15–44 years	1,124	6.3	47.6
Reference person 45–64 years	840	15.1	30.0
Reference person 65 years or over	435	46.9	7.0
<b>Lone-person households</b>			
Aged 15–24 years	639	*10.7	*4.8
Aged 25–44 years	896	7.5	31.5
Aged 45–64 years	575	17.3	18.3
Aged 65 years or over	375	46.2	3.2
<b>All households</b>	<b>715</b>	<b>20.0</b>	<b>20.0</b>

(a) Equivalised disposable household income.

(b) Lower income households are those in the second and third deciles.

(c) Higher income households are those in the ninth and tenth deciles (the top quintile).

(d) 'Other families' include families with non-dependent children only. See Glossary for definitions of dependent and non-dependent children.

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Sources: ABS 2011e: Data cube tables 4 and 5.

Among couple-only and lone-person households, income was strongly related to age. The median weekly disposable income of couple-only households in which the reference person was aged 15–44 years (\$1,124) was more than two-and-a-half that of those in which the reference person was aged 65 years or over (\$435). Almost half of all older couple-only households (47%) or older lone person households (46%) were in the lower income group.

These patterns are likely to reflect the important role of labour force participation in securing income. Groups that are over-represented among low-income households—namely, one-parent families and older people—tend to have relatively low rates of employment, especially full-time employment, as discussed previously.

## Income of Indigenous households

ABS Census data indicate that Indigenous households tend to have lower incomes than other households, after adjusting for household size. In 2006 the median gross (before tax) equivalised income for Indigenous households was \$398 per week. The comparable income for other households was around one-and-a-half times as high (ABS 2010c).

## Regional differences in household economic resources

Household income tends to be higher in capital cities than in other areas. In 2009–10, the median equivalised disposable household income of people living in Australia's capital cities was \$765 per week, compared to \$650 per week in other areas (ABS 2011e).

Around one in six (17%) people living in capital cities in 2009–10 were in low-income households compared to one in four (25%) people living in other areas. People living in high-income households accounted for 23% of the population in capital cities and 14% elsewhere (ABS 2011e).

## Income mobility

Income data from a single point in time captures both permanent structural differences between individuals and groups as well as fluctuations of a transitory nature. The latter includes people whose income at the point of measurement is lower than usual, such as those taking a temporary break from paid employment to care for young children or undertake formal study; other variations cover people who had a short-term boost to their usual income, perhaps because they worked extra hours or received a windfall payment. Income mobility refers to the extent to which an individual or household's position on the income distribution moves over time, providing some indication of how accurately cross-sectional data represent differences between groups over the medium and long term.

According to the *Household, Income and Labour Dynamics in Australia* (HILDA) Survey, in 2008 people were most commonly in the same income quintile as in 2001 (Wilkins et al. 2011) (Table 3.6). In particular, the majority of people at either extremity of the income distribution remained there. In contrast, around one-third of people in the middle income quintiles in 2001 were in the same quintile in 2008. This suggests that income mobility is greater for middle-income Australians than those with relatively low or high income.

**Table 3.6: Income mobility between 2001 and 2008, by income quintile in 2001 (per cent)**

	Income quintile in 2008				
	1 (lowest)	2	3	4	5 (highest)
Income quintile in 2001					
1 (lowest)	58.4	22.6	10.0	5.3	3.7
2	26.6	32.5	20.7	14.5	5.7
3	13.5	21.4	29.7	22.8	12.6
4	8.7	12.3	21.0	34.0	24.0
5 (highest)	4.3	8.0	14.8	22.2	50.6

*Notes*

1. Shaded cells show the percentage of people who remained in the same income quintile.
2. Percentages may not add up to 100% due to rounding.

Source: Wilkins et al. 2011.

## Persistence of income poverty

There is no single accepted understanding of what constitutes poverty, especially in a developed country such as Australia. Further, the concept of poverty broadly, or material deprivation more specifically, encompasses more than income alone, although poverty is most

commonly measured in terms in inadequacy of income ('income poverty'). Income poverty may be measured in absolute terms (for example, the percentage of people whose income falls below a set value) or relative terms (where the 'poverty threshold' changes in line with growth in average income).

A widely used measure of relative income poverty is the percentage of people whose income is less than 50% of the national median income. The remainder of the discussion in this section is based on this definition of income poverty. According to the HILDA Survey, 14% of the population was classified as being in income poverty in 2008—that is, having an annual equivalised disposable household income of \$19,170 or less (Wilkins et al. 2011).

Analysis of longitudinal data shows that, for many people, poverty is transitory. Over the period 2001–2008, almost half the people who were in poverty one year were no longer in poverty the following year (Wilkins et al. 2011). In a given year around 5–6% of the population entered poverty (that is, they were classified as poor when they had not been the previous year) and a similar percentage left poverty. The cumulative effect of people moving in and out of poverty is that more than one in three people (35%) were classified as poor at some point between 2001 and 2008. While for more than half this group poverty was short term (lasting 1 or 2 years), 8.2% of the population were considered poor in at least 5 of the 8 years, and 2.1% (or around 450,000 people) experienced persistent poverty throughout the entire period.

Comparisons between family types show important differences in the experience of transient versus persistent poverty. More than half of all lone-parent families and elderly people (aged 60 years or over) experienced poverty at some point over the period 2001–2008 (Table 3.7). However, only 4% of lone-parent families were in poverty for 5 or more years, compared to 12% of elderly couples, 18% of elderly males and almost one in four (24%) elderly females. Couples with children were least likely to experience poverty over the medium term.

**Table 3.7: Years in poverty by family type<sup>(a)</sup>, 2001–2008 (per cent)**

	0 years	1–2 years	3–4 years	5–8 years
<b>Families with children</b>				
Lone parent	45.7	26.7	19.5	4.0
Couple with children	74.0	17.8	4.7	2.0
<b>Non-elderly persons</b>				
Single male	68.1	19.7	6.1	2.9
Single female	65.2	20.1	7.2	4.2
Couple	73.3	15.6	5.1	3.4
<b>Elderly persons</b>				
Single male <sup>(b)</sup>	36.2	22.1	13.3	17.6
Single female <sup>(b)</sup>	28.7	22.5	11.6	24.2
Couple <sup>(c)</sup>	36.0	30.4	11.7	11.8

(a) Family type in 2001.

(b) Aged 60 years or over.

(c) Both members of the couple aged 60 years or over.

Note: Percentages may not add up to 100% due to rounding.

Source: Wilkins et al. 2011.

## Household wealth

The average household net worth (value of assets minus liabilities) in 2009–10 was \$719,600, comprising the following components (ABS 2011):

- \$233,500 in financial assets, including superannuation, shares and bonds, trusts, money in accounts held with financial institutions, and the net value of incorporated businesses that household members owned
- \$605,900 in non-financial assets, including property, dwelling contents, vehicles and the net value of unincorporated businesses that household members owned
- \$119,800 in liabilities, including money outstanding on home and other property loans, investment loans, car and other personal loans, and credit card debt.

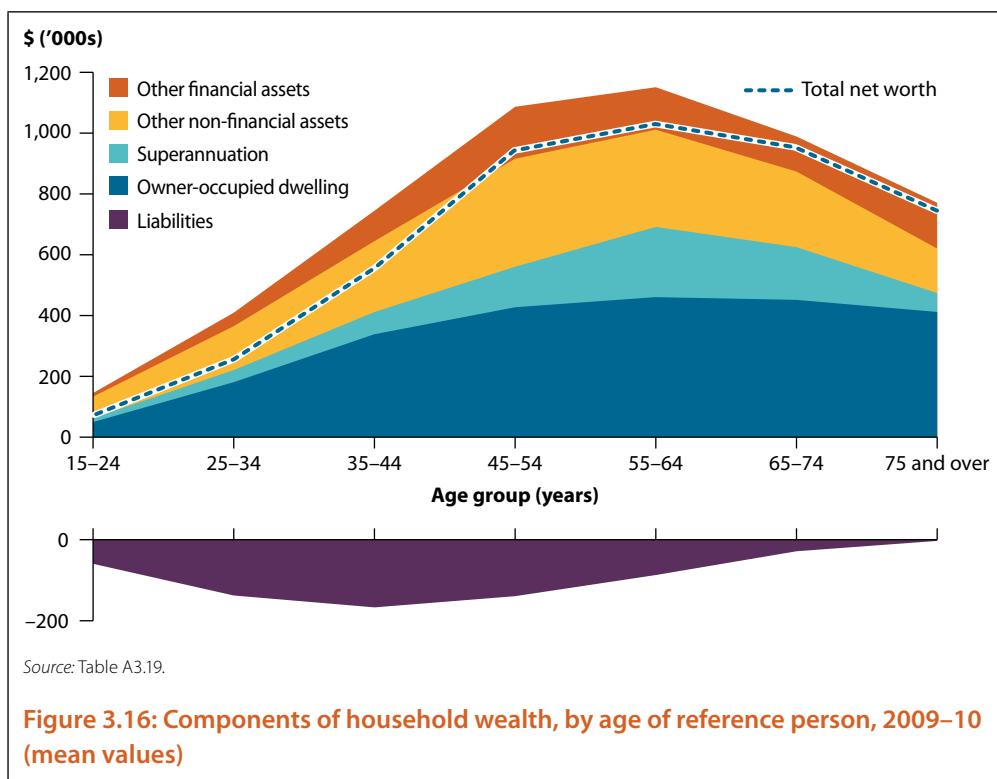
The value of owner-occupied dwellings (excluding principal outstanding on loans) accounted for 41% of average household net worth, while superannuation balances contributed 16%.

Households in which the reference person was aged 55–64 years had the highest average net worth (\$1,051,600; Figure 3.16). A large part of the higher wealth share of older households is attributable to the value of owner-occupied dwellings, including having less money outstanding on mortgages. The net value of owner-occupied dwellings (dwelling value minus principal outstanding on home loans) averaged over \$400,000 for households in which the reference person was aged 55 years or over, compared to \$225,000 for households with a reference person aged 35–44 years and less than \$100,000 when the reference person was younger than 35 years.

Excluding owner-occupied dwellings, non-financial assets (predominantly other property) accounted for around one-third of household net wealth. Households with a reference person aged 45–54 years had the greatest average value of these non-financial assets. Superannuation balances were highest in households with a reference person aged 55–64 years—an average of \$230,800 (Figure 3.16). This reflects the longer time people of this age group have had to accumulate superannuation compared to younger people, while being less likely to have drawn on superannuation than people beyond the traditional retirement age of 65 years.

The value of financial assets other than superannuation also tended to be higher in households occupied by older people. In particular, households with a reference person aged 75 years or over had an average of around \$63,300 in financial institution accounts and \$60,600 in shares (ABS 2011: Table 24). These patterns illustrate the relationship between income, wealth and age: while older people tend to have relatively low incomes, they are also more likely than younger people to have financial resources in the form of cash or non-cash assets and they generally have minimal debts to service.

The median net worth of Australian households (\$425,500) was considerably lower than the average, reflecting the uneven distribution of wealth between households. The wealthiest 20% of households owned 62% of total household wealth while less than 1% was held by the least wealthy 20% (ABS 2011: Table 1).



### 3.5 Economic participation and health

In general, relatively disadvantaged members of the community live shorter lives and have higher rates of illness and disability than those who are relatively advantaged (AIHW 2010a). However, disentangling the relationships and interactions between health and socioeconomic factors is complex because the causal direction is often unclear. Socioeconomic factors such as income, employment, education, disability, social support and housing are well established as determinants of health (World Health Organization 2011). However, the converse may also be true: that poor health due to illness or injury, especially in childhood, can itself lead to socioeconomic disadvantage over the long term (Case et al. 2005).

## Health and educational outcomes

As well as increasing the likelihood of better employment and higher income, education promotes skills and knowledge that can help an individual understand information and seek services to improve their health. However, illness (mental or physical), disability or injury can interfere with an individual's ability to attend or fully engage in education, leading to poorer outcomes. For example, studies of children with permanent hearing impairment show they may experience lifelong impairment of language skills, leading to delays in social development and academic achievement (Wake et al. 2004; Allen 1986). At the population level, only 50% of 20–24 year olds whose self-assessed health status was fair or poor had completed Year 12 in 2009, compared to 79% of those who rated their health as excellent (ABS 2011a).

## Health and employment opportunities

Illness or disability of an individual can contribute to unemployment, which in turn results in reduced income and greater disadvantage. An individual's health directly affects their productivity and ability to participate in the workforce and has a significant effect on wages (Cai 2006).

Similarly, caring for an individual (for example, a child, spouse or elderly relative) who experiences poor health or disability may impact on education or employment opportunities and/or income. Informal carers may need to change their working patterns, reduce their hours or leave the workforce altogether in order to fulfil their caring role, affecting their access to economic resources in the immediate term and ability to build up financial security for the future. This is discussed further in Chapter 6.

## Health and disability

The relationship between health and disability is complex, with disability status and severity a result of a combination of biological, environmental and social factors. However, some health conditions are strongly associated with need for assistance with everyday tasks. For example, in 2007–08 almost one-third (33%) of all people aged less than 65 years with epilepsy had severe or profound core activity limitation (AIHW 2010b).

Detailed statistics about the health of Australians, including trends and population differentials, are published in *Australia's health 2010* (AIHW 2010a).

# 3.6 Income support

## Contribution of government payments to household income

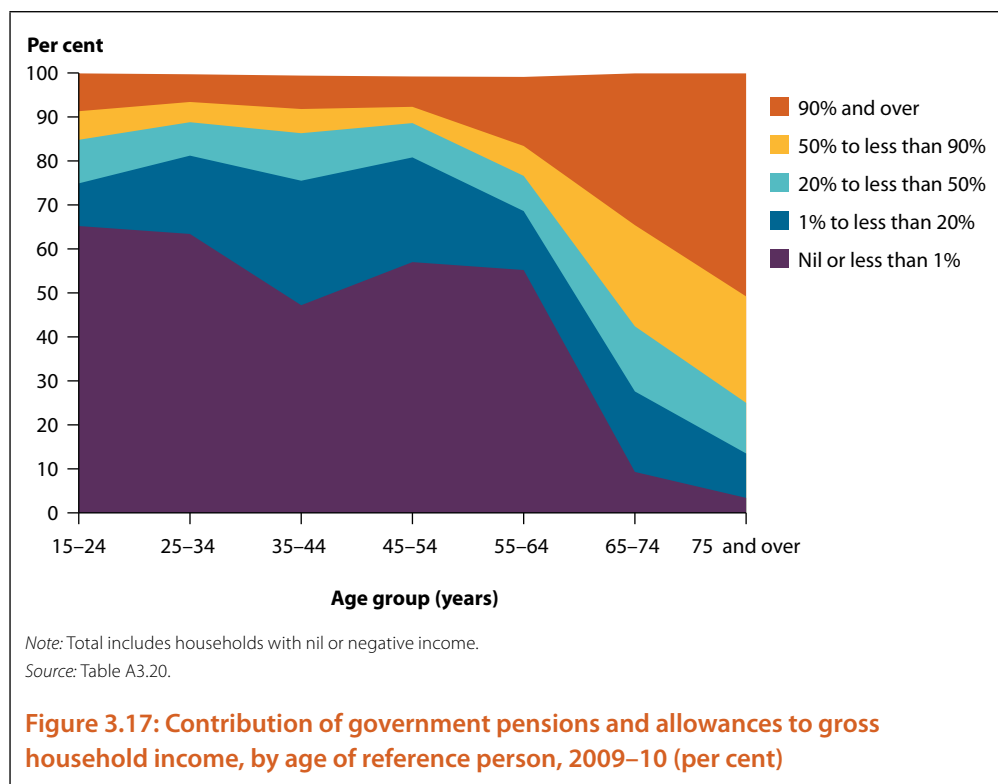
According to the ABS Survey of Income and Housing, in 2009–10 one in four households (25%) reported government pensions or allowances as their main source of household income. Of these:

- more than half (56%) received the Age pension
- almost one in three (31%) received disability or carer payments
- one in five (20%) received family support payments
- one in seven (14%) received unemployment and/or study-related payments
- 18% received other government payments (AIHW analysis of ABS 2011e: Table 14A).



Some households whose main income source was government pensions or allowances received more than one type of payment.

Dependence on income support was related to age and life-cycle, with government pensions and allowances contributing the majority of income to more than half (57%) of households in which the reference person was aged 65–74 years, and three-quarters (75%) of households in which they were 75 years or over (Figure 3.17). In contrast, most households in which the reference person was aged 15–34 years received less than 1% of their income from government pensions and allowances.



Government payments comprised a moderate share of income for households in which the reference person was aged 35–44 years—more than one in three (39%) received one per cent to less than 50% of their income from government pensions and allowances (Figure 3.17). These households are also most likely to have dependent children. Government payments contributed 1–50% of household income for 61% of couples whose eldest child was aged 0–4 years and 55% of couples whose eldest child was aged 5–14 years (Table 3.8). One-parent families with dependent children were most likely to receive government pensions or allowances; these comprised the majority of household income for 48% of one-parent families.

**Table 3.8: Contribution of government pensions and allowances to gross household income, by family type for selected one-family households, 2009–10 (per cent)**

	One parent family with dependent children	Couple with dependent children only			Dependent and non-dependent children	All households
		Eldest child under 5	Eldest child 5 to 14	Eldest child 15 to 24		
Nil or less than 1%	9.2	30.4	37.7	49.8	46.7	45.5
1%–less than 20%	22.1	49.0	42.1	35.8	38.3	19.4
20%–less than 50%	20.0	12.4	12.5	7.1	*8.4	9.7
50%–less than 90%	21.5	2.9	3.5	3.3	*4.0	9.1
90% or over	26.9	4.5	3.8	*3.3	**1.7	15.9

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

\*\* Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

Source: ABS 2011e: Data cube tables 12 and 13.

### Major income support payments

The Australian Government provides a range of pensions and benefits to support people who have little or no private income, or to provide assistance with particular costs such as those associated with raising children or caring for a person with severe disability. Payments can be short or long term and may supplement private income, rebate costs incurred, or act as a total income replacement; in some cases payments are subject to an income and assets test or other qualifying requirements.

Table 3.9 lists some of the major income support payments that have a welfare focus, with details of target groups for each payment provided in Appendix B. The list is not exhaustive or definitive, and does not include additional or supplementary payments such as Rent Assistance, Pharmaceutical Allowance or the Commonwealth Seniors Health Card. As eligibility rules and payment rates are subject to change, up-to-date information on any of these payments should be sourced from the Centrelink website: <[www.centrelink.gov.au](http://www.centrelink.gov.au)>.

**Table 3.9: Number of recipients of selected Australian government payments, June 2010**

<b>Payments related to ageing, illness, disability and caring</b>	
Age Pension	2,153,175
Disability Support Pension	792,581
Carer Allowance	495,733
Carer Payment	168,913
Mobility Allowance	57,349
Wife Pension (DSP)	13,782
Wife Pension (Age)	10,873
Sickness Allowance	6,703
<b>Payments related to studying or looking for work</b>	
Newstart Allowance	553,893
Youth Allowance	384,222
ABSTUDY	36,255
Widow Allowance <sup>(a)</sup>	33,886
Austudy Payment	31,860
Partner Allowance <sup>(a)</sup>	24,054
Special Benefit	6,307
<b>Payments related to family assistance</b>	
Family Tax Benefit–Part A	1,737,520
Family Tax Benefit–Part B	1,381,250
Child Care Benefit <sup>(b)</sup>	783,000
Child Care Rebate <sup>(b)</sup>	702,500
Parenting Payment–Partnered	124,910
Parenting Payment–Single	333,512
Baby Bonus <sup>(b)</sup>	267,800
Maternity Immunisation Allowance <sup>(b)</sup>	270,300

(a) Closed to new claimants.

(b) Number of recipients for each of these payments is rounded to the nearest 100.

Source: DEEWR 2010a, 2010b; FaHCSIA 2010; Centrelink administrative database (DEEWR Bluebook extract as at 25 June 2010).

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