Australia

Sources:

Podder 1972, Table 3, 4 and 5

Paukert 1973, Table 6 p.104-105

Cromwell 1977, Table 1

Kakwani 1986

Saunders, Stott and Hobbes 1991

Atkinson, Rainwater and Smeeding 1995b (based on LIS data)
Saunders, 2001

Australian Bureau of Statistics 1999, 2001, 2003, 2005 Statistical Yearbook

2007-08 onwards:

Luxembourg Income Study (for more information please look at http://www.lisproject.org/techdoc/as/asindex.htm)

Statistical Tables from:

http://www.abs.gov.au/

The ABS has revised its standards for household income statistics following the adoption of new international standards in 2004 and review of aspects of the collection and dissemination of income data. These new standards were introduced for the first time in the 2007–08-reference period.

Surveys:The Survey of Consumer Expenditure 1968 This survey is used by Podder (1972). The survey was a nation-wide survey and consisted of 5500 families living mainly in urban areas. No

information is available about the components of income derived from different sources. Both gross and disposable incomes are reported; the income concept does not include imputed rent.

Survey of Income and Housing (Costs) 1981-2002

The survey is conducted by the Australian Bureau of Statistics (ABS). Information on sources of income, amounts received and characteristics of income units and persons resident in private dwellings throughout Australia is collected. The SIH(C) has been conducted each year since 1994-1995 with the exception of 1998-1999. Information is collected by personal interview from usual residents in urban and rural areas of Australia. Families of non-Australian defense forces stationed in Australia and diplomatic personnel of overseas governments are excluded. Also excluded are persons living in remote and sparsely settled areas of the Northern Territory. Approximately 20% of the population in the Northern Territory lives in such areas.

The sample of the income survey is a sub-sample of private dwellings included in the ABS Monthly Population Survey (MPS). The MPS is a multistage sample of private dwellings and a list sample of other dwellings. The sample size is around 15 500 persons of the age of 15, about 85% respond.

Gross monetary income is defined as regular and recurring cash income receipts from wages and salaries, profit/loss from own unincorporated business, property income in the form of interest, rents and dividends, private transfers in the form of superannuation and child support, and cash transfers from government pensions and allowances. Excluded items are employer contributions to pension and superannuation funds, capital transfers such as inheritances and legacies, maturity payments on life insurance policies, lump sums compensation for injuries or other damage; and capital gains and losses. Disposable income are derived from gross monetary income as collected from the survey after

deducting estimates of income tax liability and the Medicare levy.

Income is collected using a number of different reporting periods, such as the last financial year for own business and property income, and usual pay close to time of interview for wages, salaries and other private income. The income is divided by the number of weeks in the reporting period. Estimates therefore do not refer to a given week.

In 2000-2001, methodological improvements were made by the ABS in the household income distribution measurement and presentation. This resulted in revised estimates for all the survey years. The improvements involved revised demographic bench marking, the use of household instead of income unit (≈family) as income unit, the use of person instead of income unit as unit of analysis, and the use of equivalised disposable income instead of gross income for most analysis. These changes were made in response to revised user requirements and developments in international theory (the Canberra group report). In WIID, overlapping series using both the old and the new methodology are reported.

The original years are given as 1994-1995, 1995-1996, 1996-1997, 1997-1998..... WIDER has always chosen to indicate the second year in the database. The sample size in 2002-2003 was larger than before, 19400 persons.

Saunders (2001) also uses this survey and makes some adjustments to minimize the impact of the change in survey methodology that appeared when the survey became continuous in 1995.

<u>2007-08 Onwards:</u>

The estimates of disposable income by ABS are derived by deducting estimates of income tax liability, the Medicare levy and Medicare levy surcharge from the gross income data collected in

the Survey of Income and Housing (SIH).

Gross income is defined as income available for, or intended to support, current consumption, and are collected in respect of employment income (including non-cash benefits, bonuses, termination payments and irregular overtime), profit/loss from own unincorporated business, investment income (including interest, rent and dividends), lump sum workers' compensation receipts, private transfers (including superannuation, child support), other transfers from other households and cash transfers from government pensions and allowances .

The income estimates are adjusted by equivalence factors to standardise the income estimates with respect to household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings.