

MATURE AGE PERSONS STATISTICAL REPORT

HOUSING

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Maryann Wood on Brisbane 07 3222 6206.

ABOUT THIS PUBLICATION

Over recent years the issues associated with the structural ageing of the population have received increased attention by governments and researchers. Broad issues affecting the ageing population include ensuring adequate retirement incomes, labour force participation, healthy ageing, and provision of community support, health services and aged care. Challenges in relation to population ageing include improving the capacity of older people for work through better education and health, identifying better incentives for people to remain in the labour force, and improved flexibility in the workplace.

Mature age persons, i.e. persons aged 45–64 years, have been identified as a key population group in terms of policy development to address these challenges. The older members of this group are nearing the traditional retirement age of 65 years and some have already withdrawn from the labour force. Younger mature age persons are part of the baby boom cohort which has special significance due to the large number of people involved.

This profile is a part of the series of Mature Age Persons Statistical Profiles developed to draw on relevant data sources to provide a comprehensive analysis of the characteristics of mature age persons. The complete set of profiles covers the following topics:

Population and Cultural Diversity

Labour Force

Health

Housing

Living Arrangements

Education and Training

Community Life

This profile focuses on housing characteristics of the mature age population.



ABBREVIATIONS

- ABS Australian Bureau of Statistics
- ACT Australian Capital Territory
- Aust. Australia
- NSW New South Wales
- NT Northern Territory
- Qld Queensland
- SIH Survey of Income and Housing
- Tas. Tasmania
- Vic. Victoria
- WA Western Australia

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OVERVIEW

INTRODUCTION

Home ownership is an aspiration for many Australians, an aspiration that has been referred to as 'the great Australian dream' and is reflected nationally in high rates of home ownership. Having an appropriate place to live is fundamental to people's identity and wellbeing, and there are many aspects to housing that affect the quality of people's lives. An ageing population will have considerable impact on the use and composition of housing stock. Home ownership is an important issue for the mature age population (those aged 45–64 years), as they are likely to make decisions over the next decade about their retirement based on factors such as their current tenure arrangements and housing costs.

This profile draws data from the 2002–03 Survey of Income and Housing (SIH) and examines the housing characteristics, household income and wealth, and housing costs of the mature age population.

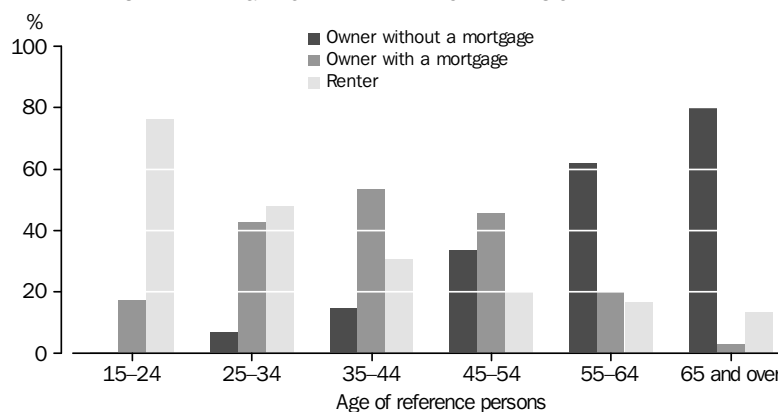
HOUSING CHARACTERISTICS

TENURE PATTERNS OF AUSTRALIAN HOUSEHOLDS

In 2002–03, the majority (69%) of the 7.6 million households in Australia owned their current home compared to 28% of households who were renting. Of households that owned their current home 48% still had a mortgage and 52% were without a mortgage. For households that were renting, 78% were renting from a private landlord and 17% renting from a state or territory housing authority.

Overall, the likelihood of a household owning their home increased with age (table 2.1). The majority (80%) of households where the reference person was aged 65 years or more, were owners without a mortgage, while a further 3% were owners with a mortgage. In contrast, 35% of households where the reference person was aged 45–64 years were owners with a mortgage and 18% were renters.

2.1 TENURE BY AGE OF REFERENCE PERSON



Source: ABS data available on request, 2002–03 Survey of Income and Housing.

MATURE AGE HOUSEHOLDS

In 2002–03, there were 2.6 million households where the reference person was aged 45–64 years (mature age households). A large proportion (80%) of mature age households owned their own home compared to 18% which were renting. Of households which owned their home, 43% still had a mortgage and 57% were without a mortgage. For households which were renting, 67% were renting from a private landlord and 27% renting from a state or territory housing authority landlord.

Between 2000–01 and 2002–03, there was minimal change in the overall proportions of mature age owner and renter households (table 2.2).

Half of mature age households were composed of couple only (28%) and lone person households (22%). Mature age households (couple only), comprised 37% of owners without a mortgage and only 15% of renters. In contrast, mature age lone person households, comprised 19% of owners without a mortgage but 46% of renters (table 2.3).

The proportion of mature age households which owned their home (with or without a mortgage) varied across states and territories in 2002–03, from 69% for the Northern Territory and 86% for Victoria. Regardless of tenure, a large proportion (84%) of all mature age households in Australia occupied separate houses (table 2.4).

HOUSING CHARACTERISTICS *continued*

MATURE AGE
HOUSEHOLDS *continued*

2.2 MATURE AGE HOUSEHOLDS: TENURE AND DWELLING STRUCTURE, 2000-01 AND 2002-03

	Households	PER CENT
	'000	%
.....		
2000-01		
Tenure		
Owner		
Without a mortgage	1 218.6	48.7
With a mortgage	806.3	32.2
Renter		
State/territory housing authority	108.6	4.3
Private landlord	295.1	11.8
Total renters(a)	432.9	17.3
Total(b)	2 501.2	100.0
Dwelling structure		
Separate house	2 136.1	85.4
Semidetached	177.2	7.1
Flat	169.4	6.8
Total(c)	2 501.2	100.0
.....		
2002-03		
Tenure		
Owner		
Without a mortgage	1 208.0	45.7
With a mortgage	915.5	34.6
Renter		
State/territory housing authority	130.4	4.9
Private landlord	322.4	12.2
Total renters(a)	484.6	18.3
Total(b)	2 645.4	100.0
Dwelling structure		
Separate house	2 213.2	83.7
Semidetached	210.5	8.0
Flat	199.8	7.6
Total(c)	2 645.4	100.0

(a) Includes other landlord type.

(b) Includes other tenure type.

(c) Includes other private dwelling structure.

Source: ABS data available on request, 2000-01 and 2002-03
Survey of Income and Housing.

HOUSING CHARACTERISTICS *continued*

2.3 MATURE AGE HOUSEHOLDS: TENURE BY HOUSEHOLD COMPOSITION

	OWNER		RENTER		Total renters(a)	Total(b)
	Without a mortgage	With a mortgage	State/territory housing authority	Private landlord		
	%	%	%	%		
Household composition						
One family						
Couple only	36.5	22.6	*8.8	17.6	14.8	27.6
Couple with dependent children only	11.5	25.4	*1.9	11.1	9.2	15.9
Other couple	21.4	27.9	*7.8	10.7	9.7	21.3
One parent with dependent children	3.5	4.4	*10.3	8.8	9.0	4.9
Other family households	7.5	6.7	*9.3	10.2	9.5	7.5
Lone person	18.6	12.1	61.0	39.5	46.1	21.7
Total(c)	100.0	100.0	100.0	100.0	100.0	100.0

* estimate is subject to sampling variability too high for most practical purposes

(a) Includes other landlord type.

(b) Includes other tenure type.

(c) Includes group households.

Source: ABS data available on request, 2002–03 Survey of Income and Housing.

2.4 MATURE AGE HOUSEHOLDS: STATE AND TERRITORY BY TENURE AND DWELLING STRUCTURE

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
	%	%	%	%	%	%	%	%	%
Tenure type									
Owner									
Without a mortgage	47.8	49.2	39.3	41.8	46.9	48.4	32.5	38.9	45.7
With a mortgage	31.6	36.7	35.8	36.5	34.4	33.6	36.6	42.3	34.6
Renter									
State/territory housing authority	6.0	3.4	4.1	8.2	3.6	*6.1	*4.0	*6.2	4.9
Private landlord	12.0	9.3	17.4	9.9	11.7	8.1	*18.8	12.1	12.2
Total renters(a)	18.9	13.2	23.1	21.2	17.0	15.9	29.4	18.2	18.3
Total(b)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Dwelling structure									
Separate house	81.1	86.0	83.1	83.6	87.1	88.9	77.2	82.2	83.7
Semidetached	7.6	8.3	6.6	10.0	8.9	*5.9	*5.2	15.6	8.0
Flat	10.5	5.2	8.6	5.9	4.0	*3.6	*12.5	*2.3	7.6
Total(c)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* estimate is subject to sampling variability too high for most practical purposes

(a) Includes other landlord type.

(b) Includes other tenure type.

(c) Includes other dwelling type.

Source: ABS data available on request, 2002–03 Survey of Income and Housing.

HOUSEHOLD INCOME AND WEALTH

HOUSEHOLD INCOME

A standardised income measure is obtained from *equivalised disposable household income* which is defined in the Glossary.

In 2002–03, mean (average) equivalised disposable household income for mature age persons (those aged 45–64 years) living in a private dwelling was \$563 per week compared to \$510 per week for all households (table 3.1).

Mature age owners with a mortgage had the highest average equivalised disposable household income of \$628 per week, while those renting from state or territory housing authorities had the lowest average (\$320 per week).

There are considerable differences in the average level of income for mature age households between the states and territories. Tasmania had the lowest mean weekly income of \$474 per week, followed by South Australia (\$526 per week) and Western Australia (\$550 per week), all below the national mean for all mature age households (\$563 per week).

The Australian Capital Territory had the highest mean income of \$759 per week. The Northern Territory (NT) recorded the second highest mean income (\$613 per week). The NT estimates of equivalised disposable income are subject to large relative standard errors and should be used with caution. New South Wales and Victoria also recorded mean income above the national mean, \$568 and \$580 respectively.

3.1 MEAN EQUIVALISED DISPOSABLE HOUSEHOLD INCOME, Tenure by age of reference person

	OWNER		RENTER				
	Without a mortgage	With a mortgage	State/territory housing authority		Private landlord	Total renters(a)	Total(b)
	\$	\$	\$	\$	\$	\$	
Age of reference person							
15–24	201	554	267	488	474	481	
25–34	570	566	237	529	492	531	
35–44	474	536	301	447	427	498	
45–64							
45–54	562	615	332	519	473	575	
55–64	517	680	303	457	413	542	
Total 45–64	539	628	320	501	454	563	
65 and over	387	362	261	348	302	374	
All households	479	574	284	488	452	510	

(a) Includes other landlord type.

(b) Includes other tenure type.

Source: ABS data available on request, 2002–03 Survey of Income and Housing.

HOUSEHOLD INCOME AND WEALTH *continued*

Principal source of income

While households may derive income from a variety of sources, the principal source of income is the one upon which they are most reliant. For example, households may be reliant, in the short or long term, on income support payments such as government pensions and allowances made to people who are retired or unemployed, or people with disabilities and their carers.

Wages and salaries were the principal source of income for 64% of mature age households in Australia in 2002–03. Government pensions and allowances were the main source for a further 19% of mature age households (table 3.2).

Labour force status

In 2002–03, almost three quarters (73%) of reference persons in mature age household reference persons were employed, while one quarter (25%) were not in the labour force. Only a small proportion (2%) of all mature age households in Australia contained reference persons who were unemployed (table 3.2).

A high proportion (90%) of mature age owners with a mortgage were employed compared to 66% for mature age owners without a mortgage. Renter households had a lower proportion employed (57%) in the labour force.

Mature age households renting had the highest proportion (39%) of reference persons not in the labour force, followed by mature age owners without a mortgage at 31%.

3.2 MATURE AGE HOUSEHOLDS: TENURE BY SELECTED HOUSEHOLD CHARACTERISTICS

	OWNER		RENTER			
	<i>Without a mortgage</i>	<i>With a mortgage</i>	<i>State/territory housing authority</i>	<i>Private landlord</i>	<i>Total renters(a)</i>	<i>Total(b)</i>
	%	%	%	%	%	%
Principal source of income						
Wages and salaries	57.8	82.7	24.5	58.3	48.5	64.4
Own unincorporated business income	8.0	6.9	*2.0	6.4	5.0	7.1
Government pensions and allowances	18.8	6.4	72.2	29.4	42.1	18.8
Other income	13.8	3.1	*1.4	*4.9	3.6	8.4
Total(c)	100.0	100.0	100.0	100.0	100.0	100.0
Labour force status of reference person						
Employed	66.4	90.5	25.6	69.1	56.7	72.9
Unemployed	2.4	*1.3	*6.0	*3.5	4.3	2.5
Not in the labour force	31.2	8.2	68.4	27.5	39.0	24.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

* estimate is subject to sampling variability too high for most practical purposes

(a) Includes other landlord type.

(b) Includes other landlord type.

(c) Includes households with zero or negative total income.

Source: ABS data available on request, 2002–03 Survey of Income and Housing.

WEALTH

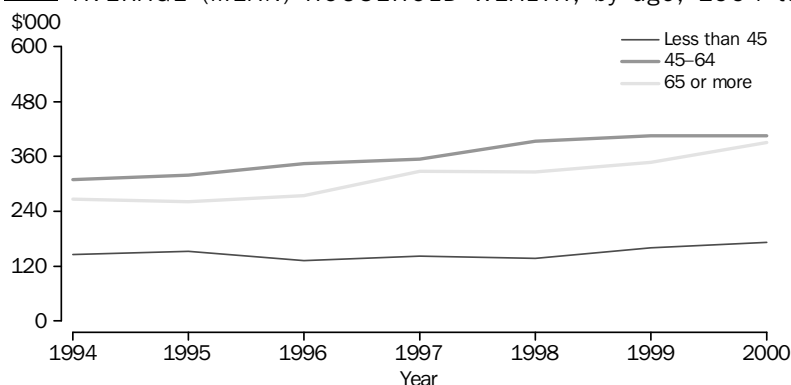
Experimental studies of household wealth statistics dissected by age groups show that wealth increases as people have more time to accumulate it, that is, as they age. However wealth also appears to be depleted to some degree after retirement. Average wealth is distributed quite differently from income, as income for the age groups in which more people have retired tends to decline sharply (*Working Papers in Econometrics and Applied Statistics: Experimental Estimates of the Distribution of Household Wealth, Australia, 1994–2000*, ABS 2002).

A household's wealth is defined to equal its net worth, that is the sum of its assets minus the sum of its liabilities. Asset and liability data have been estimated for each household represented in the Survey of Income and Housing Costs (SIHC) and the Household Expenditure Surveys (HES) conducted between 1993–94 and 1999–2000.

Average (mean) household wealth rose for all age groups between 1994 and 2000, but the rise was most marked where the household reference person was 45 years or older. For households where the reference person was aged 45–64 years, the average household wealth increased 31% from \$310,000 in 1994 to \$405,000 in 2000. For households where the reference person was aged 65 years and over, the average household wealth increased 46% from \$267,000 in 1994 to \$390,000 in 2000; and for households where the reference person was aged less than 45 years it increased only 18% from \$146,000 in 1994 to \$173,000 in 2000. This age group had the smallest percentage increase since 1994 and had the lowest average household wealth in 2000.

The distribution of wealth is closely related to the distribution of major household assets such as owner-occupied dwellings and superannuation. Growth in the value of these assets between 1994 and 2000 has led to strong increases in the average wealth of households in the 45 years over and older (65 years and over) age groups (*Working Papers in Econometrics and Applied Statistics: Experimental Estimates of the Distribution of Household Wealth, Australia, 1994–2000*, ABS 2002).

3.3 AVERAGE (MEAN) HOUSEHOLD WEALTH, by age, 1994 to 2000



Source: Unpublished data, *Experimental Estimates of Distribution of Household Wealth, Australia 1994–2000* (ABS cat. no. 1351.0).

HOUSEHOLD INCOME AND WEALTH *continued*

Value of dwelling for owner households

In the Survey of Income and Housing (SIH) owners were asked to estimate the value of their dwelling. The estimate they provided may differ from valuations made by accredited valuers or the actual sale price of the dwelling. The extent of the difference has not been measured and therefore some care needs to be taken when using these data.

In 2002–03 the mean value of the 2.1 million mature age owner–occupied dwellings was \$347,000 compared to \$314,000 for all households. The mean value for dwellings occupied by mature age owners was highest in New South Wales at \$459,000, followed by the Australian Capital Territory (\$339,000) and Victoria (\$326,000) (table 3.4).

3.4 MEAN VALUE OF DWELLING FOR OWNER HOUSEHOLDS (a), States and territories by age of reference person

	NSW	Vic.	Qld	SA	WA	Tas.	NT(b)	ACT(b)	Aust.
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL CITY									
Less than 45	468	329	262	220	239	169	211	272	330
45–64	586	366	320	282	308	*377	230	339	415
65 or more	533	333	248	183	252	175	153	312	359
All households	534	344	282	235	269	241	217	307	371
BALANCE OF STATE									
Less than 45	235	196	248	156	167	126	—	—	216
45–64	249	230	225	183	219	132	—	—	228
65 or more	228	167	203	138	191	109	—	—	197
All households	238	202	227	161	193	125	—	—	215
TOTAL									
Less than 45	378	295	254	203	223	144	211	272	291
45–64	459	326	267	258	287	*221	230	339	347
65 or more	395	280	221	171	234	141	153	312	293
All households	416	304	251	215	250	173	217	307	314

* estimate is subject to sampling variability too high for most practical purposes

— nil or rounded to zero (including null cells)

(a) Includes owner without a mortgage and owner with a mortgage.

(b) Separate data for balance of state is not available.

Source: ABS data available on request, 2002–03 Survey of Income and Housing.

HOUSING COSTS

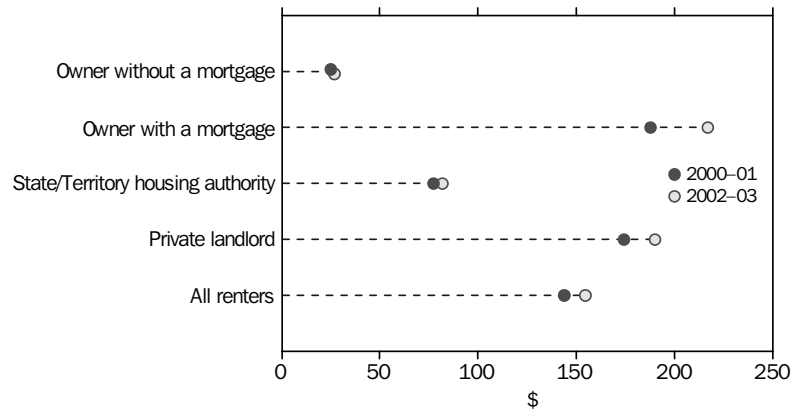
HOUSING COSTS FOR MATURE AGE HOUSEHOLDS

The composition of housing costs differs depending on type of tenure. In this profile, housing costs of owners comprise rates, both general and water, and mortgage repayments if the mortgage was initially taken out primarily to purchase, build or alter the dwelling. For renters, housing costs comprise the amount of rent paid.

In 2002–03, the mean (average) weekly housing costs for mature age households was \$116, up from \$98 in 2000–01. Mature age owners with a mortgage paid an average of \$217 (up from \$188 in 2000–01) in housing costs.

Mature age households renting from private landlords paid an average of \$190 per week (up from \$175 in 2000–01), while households renting from state or territory housing authorities paid an average of \$82 per week (up from \$77 in 2000–01).

4.1 MEAN HOUSING COSTS BY TENURE, Mature Age Households: 2000–01 and 2002–03



Source: ABS data available on request, 2000–01 and 2002–03 Survey of Income and Housing.

STATE AND TERRITORY

Average weekly housing costs for mature age households differ between capital city and balance of state. Overall, mature age households in capital cities have higher average weekly housing costs compared to those outside capital cities (table 4.2).

There are considerable differences in average weekly housing costs for mature age households between the States and Territories. In 2002–03, the Australian Capital Territory had the highest average weekly housing costs of \$32 for mature age owners without a mortgage and Western Australia and the Northern Territory had the lowest (\$23).

In 2002–03, mature age owners in New South Wales had the highest average weekly housing costs at \$260 for households with a mortgage and \$173 for renters. Tasmania had the lowest average weekly housing costs for mature age owners with a mortgage (\$130) and renters (\$101).

HOUSING COSTS *continued*

4.2 MATURE AGE HOUSHOLDS, Mean weekly housing costs by state and territory by tenure

	NSW	Vic.	Qld	SA	WA	Tas.	NT(a)	ACT(a)	Aust.
	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL CITY									
Owner									
Without a mortgage	31	27	31	27	24	28	28	32	29
With a mortgage	289	232	197	153	229	148	242	220	236
Renter									
State/territory housing authority	82	85	76	72	83	89	*115	115	82
Private landlord	269	209	178	140	162	134	202	219	214
Total renters(b)	206	180	149	108	143	111	161	184	171
Total(c)	153	123	117	91	117	88	145	139	128
BALANCE OF STATE									
Owner									
Without a mortgage	24	24	26	19	21	21	—	—	24
With a mortgage	196	156	194	158	189	117	—	—	181
Renter									
State/territory housing authority	74	98	75	82	*122	58	—	—	82
Private landlord	150	139	168	129	150	109	—	—	156
Total renters(b)	121	121	149	100	127	93	—	—	131
Total(c)	88	85	115	84	91	61	—	—	94
TOTAL									
Owner									
Without a mortgage	28	26	28	25	23	23	*28	32	27
With a mortgage	260	210	196	155	221	130	242	220	217
Renter									
State/territory housing authority	79	91	76	73	98	75	*115	115	82
Private landlord	226	194	172	137	158	119	202	219	190
Total renters(b)	173	164	149	107	137	101	161	184	155
Total(c)	128	112	116	90	110	71	145	139	116

* estimate is subject to sampling variability too high for most practical purposes

— nil or rounded to zero (including null cells)

(a) Separate data for balance of State are not available.

(b) Includes other landlordtype.

(c) Include other tenure type.

Source: ABs data available on request, 2002–03 Survey of Income and Housing.

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents the income and characteristics of households and persons resident in private dwellings in Australia, compiled from the 2002-03 Survey of Income and Housing (SIH), previously known as the Survey of Income and Housing Costs (SIHC). The survey collected information on sources of income, amounts received and characteristics of persons aged 15 years and over resident in private dwellings throughout non-sparsely settled areas of Australia.

2 The SIH was conducted continuously from 1994-95 to 1997-98, and then in 1999-2000, 2000-01 and 2002-03. The 2002-03 SIH included an expanded sample of 10,000 households (up from about 7,000 households in earlier years). In 2003-04, the Household Income and Expenditure Survey (HIES) was conducted and every sixth year thereafter. The survey has a sample of about 11,000 households contributing to income estimates. The SIH is conducted, with an 11,000 household sample, every two years in between the HIES cycles, to provide a biennial household income series.

3 Previous surveys of household income were conducted by the Australian Bureau of Statistics (ABS) in 1979, 1982, 1986 and 1990. These surveys were generally conducted over a two-month period, compared to a twelve-month period for the SIH and HIES. The SIH and HIES also included improvements to the survey weighting and estimation procedures, changes to the population in scope and changes to interviewing methods.

CONCEPTS AND DEFINITIONS

Person and household data

4 The concepts and definitions relating to statistics of income are described in the following section. Other definitions are included in the Glossary.

5 A major determinant of economic wellbeing for most people is the level of income they and other family members in the same household receive.

6 While income is usually received by individuals, 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 cheap accommodation. This is particularly likely to be the case for children other than dependants and other relatives with low levels of income of their own. Even when there is no transfer of income between members of a household, nor provision of free or cheap accommodation, members are still likely to benefit from the economies of scale that arise from the sharing of dwellings.

7 Household characteristics, including household income, are therefore the main information required for analysing income distribution. However, it is the number of people who belong to households with particular characteristics, rather than the number of households with those characteristics, that is of primary interest in measuring income distribution and leads to the preference for the equal representation of those persons in such analysis. For example, if the person is used as the unit of analysis rather than the household, then the representation in the income distribution of each person in a household comprising four persons is the same as that for each person in a household comprising two persons. In contrast, if the household were to be used as the unit of analysis, each person in the four person household would only have half the representation of each person in the two person household.

INCOME

8 Income refers to regular and recurring cash receipts from employment, investments and transfers from government, private institutions and other households. Gross income is the sum of the income from all these sources before income tax and the Medicare levy have been deducted. This differs from the household income definition used in the Australian System of National Accounts (ASNA). A detailed comparison of 1997-98 SIH and ASNA estimates was published as an appendix to the 1997-98 issue of this publication. Comparison of SIH data from 1994-95 to 2002-03 with ASNA data indicates

EXPLANATORY NOTES *continued*

INCOME *continued*

that the relationship between the two estimates has not changed significantly over that period.

9 Sources from which income may be received include:

- wages and salaries (whether from an employer or own corporate enterprise)
- profit/loss from own unincorporated business (including partnerships)
- investment income (interest, rent, dividends, royalties)
- government cash transfers (pensions, allowances, benefits)
- private cash transfers (e.g. superannuation, regular workers' compensation, income from annuities, child support, and other transfers from other households).

10 Receipts which are excluded from income because they are not regular or recurring cash payments include the following:

- income in kind including employee benefits such as the provision of a house or a car
- employer contributions to pension and superannuation funds
- capital transfers such as inheritances and legacies, maturity payments on life insurance policies, lump sum compensation for injuries or other damage
- capital gains and losses.

11 Receipts of family tax benefit are treated as income, regardless of whether they are received fortnightly or as a lump sum. The aged persons' savings bonus and self-funded retirees' supplementary bonus, paid as part of the introduction of The New Tax System in 2000-01, are regarded as capital transfers as they were designed to help retired people maintain the value of their savings and investments following the introduction of the GST. However, the one-off payment to seniors announced in the May 2001 Budget and paid in 2000-01 is included as income as it was primarily a supplement to existing income support payments.

Weekly income

12 Income is collected using a number of different reporting periods, such as the last financial year for own business and property income, and the usual payment for a period close to the time of interview for wages and salaries, other sources of private income and government cash transfers. The income reported is divided by the number of weeks in the reporting period. Estimates of weekly income in this publication therefore do not refer to a given week within the reference year of the survey.

Equivalised disposable income

13 Gross income (as described in the previous paragraphs) is adjusted in two ways to facilitate the comparison of economic wellbeing between households. Firstly, disposable income is derived by deducting estimates of personal income tax and the Medicare levy from gross income. Disposable income better represents the economic resources available to meet the needs of households. A more detailed analysis of 'final' income which looks at the impact of indirect government benefits (i.e. non-cash benefits) and indirect taxes requires detailed information on expenditure patterns which is not available in the SIH. For details of this type of 'final' income analysis see *Government Benefits, Taxes and Household Income, Australia, 1998-99* (cat. no. 6537.0)

14 Disposable income is also adjusted by the application of an equivalence scale to facilitate comparison of income levels between households of differing size and composition, reflecting the requirement of a larger household to have a higher level of income to achieve the same standard of living as a smaller household. Where disposable income is negative, it is set to zero equivalised disposable income. For more information on equivalised income see the Appendix in *Household Income and Distribution, Australia, 2002-03* (cat. no. 6523.0).

SURVEY METHODOLOGY

15 For details on survey methodology refer to the Explanatory Notes in *Household Income and Distribution, Australia, 2002-03* (cat. no. 6523.0).

GLOSSARY

Capital cities	Australia's six State capital city statistical divisions. For the Northern Territory and Australian Capital Territory the estimates relate predominantly to urban areas.
Couple, one family household	One family household consisting of: <ul style="list-style-type: none"> ■ one couple only ■ one couple, with their dependent and/or non-dependent children only ■ one couple, with or without children, plus other relatives ■ one couple, with or without children and other relatives, plus unrelated individuals.
Couple	Two people in a registered or de facto marriage, who usually live in the same household.
Dependent children	All persons aged under 15 years; and people aged 15-24 years who are full-time students, have a parent in the household and do not have a partner or child of their own in the household.
Disposable income	Gross income after income tax and the Medicare levy are deducted. Income tax and the Medicare levy are imputed based on each person's income and other characteristics as reported in the survey. Disposable income is sometimes referred to as net income.
Dwelling structure	The dwelling structure type is determined by the structure of the building that contains the dwelling. Households belong to one of four dwelling categories: <ul style="list-style-type: none"> ■ separate house; ■ semi-detached, row or terrace house or townhouse; ■ flat, unit, or apartment; and ■ other dwelling, including caravan or cabin in a caravan park, houseboat in a marina, caravan not in a caravan park, houseboat not in a marina and house or flat attached to a shop.
Employed	A person aged 15 years and over who, during the reference week: <ul style="list-style-type: none"> ■ worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (includes employees, employers and own account workers); or ■ worked one hour or more, without pay, in a family business or on a farm (i.e. contributing family workers); or ■ were employees who had a job but were not at work and were: on paid leave; on leave without pay for less than four weeks up to the end of the reference week; stood down without pay because of bad weather or plant breakdown at their place of employment for less than four weeks up to the end of the reference week; on strike or locked out; on workers' compensation and expected to be returning to their job; or receiving wages or salary while undertaking full-time study; or ■ were employers, own account workers or contributing family workers who had a job, business or farm, but were not at work.
Equivalised disposable household income	Disposable household income adjusted using an equivalence scale. For a lone person household it is equal to disposable household income. For a household comprising more than one person, it is an indicator of the disposable household income that would need to be received by a lone person household to enjoy the same level of economic wellbeing as the household in question. For further information see Appendix 3 in <i>Household Income and Income Distribution, Australia, 2002-03</i> , cat. no. 6523.0.
Family	Two or more people, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who usually live in the same household. A separate family is formed for each married couple, or for each set of parent-child relationships where only one parent is present.
Flat, unit or apartment	Includes all self-contained dwellings in blocks of flats, units or apartments. These dwellings do not have their own private grounds and usually share a common entrance foyer or stairwell. This category includes houses converted into flats and flats attached to houses such as granny flats. A house with a granny flat attached is regarded as a separate house.

GLOSSARY *continued*

Government pensions and allowances/Government cash benefits	Regular, recurring receipts from government to persons under social security and related government programs. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students. Sometimes referred to as government benefit transfers. All overseas pensions and benefits are included here, although some may not be paid by overseas governments.
Gross income	Regular cash receipts before income tax or the Medicare levy are deducted.
Group household	A household consisting of two or more unrelated people where all people are aged 15 years and over. There are no reported couple relationships, parent-child relationships or other blood relationships in these households.
Household	A group of related or unrelated people who usually live in the same dwelling and make common provision for food and other essentials of living; or a lone person who makes provision for his or her own food and other essentials of living without combining with any other person. Lodgers who receive accommodation only (not meals) are treated as a separate household. Boarders who receive accommodation and meals, are treated as part of the household.
Household composition	Classifies households into three broad groupings based on the number of families present (one family, multiple family and non-family). One family households are further disaggregated according to the type of family (such as couple family or one parent family) and according to the number of dependent and non-dependent children, other relatives and unrelated individuals present. Non-family households are disaggregated into lone person households and group households.
Housing costs	Housing costs for the purpose of this publication comprise the following for the 3 different tenure type categories shown: <ul style="list-style-type: none">■ owner without a mortgage - rates payments (general and water);■ owner with a mortgage - rates payments plus mortgage payments if the initial purpose of the mortgage was primarily to buy, build, add to or alter the dwelling; and■ renter - rent payments.
Household wealth	Equal to its net worth, that is, the sum of its assets minus the sum of its liabilities.
Income	Regular and recurring cash receipts including moneys received from wages and salaries, government pensions and allowances, and other regular receipts such as superannuation, workers' compensation, child support, scholarships, profit or loss from own unincorporated business or partnership and investment income. Gross income is the sum of the income from all these sources before income tax or the Medicare levy are deducted. Other measures of income are disposable income and equalised disposable income.
Landlord type	For renters, the type of entity to whom rent is paid or with whom the tenure contract or arrangement is made. Renters belong to one of the following categories: <ul style="list-style-type: none">■ state/territory housing authority - where the household pays rent to a state or territory housing authority or trust■ private landlords - where the household pays rent to a real estate agent or to another person not in the same household■ other - where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.
Lone person household	A household consisting of a person living alone.
Mature age households	Household reference person aged 45–64 years.
Mean housing costs	The total weekly housing costs paid by a group of households (e.g. couple only households) divided by the number of households in that group.

GLOSSARY *continued*

Mortgage	A mortgage is a loan taken out using the usual residence as security. An owner with a mortgage must still owe money from such a loan.
Negative income	Income may be negative when a loss accrues to a household as an owner or partner in unincorporated enterprises or rental properties. Losses occur when operating expenses and depreciation are greater than gross receipts.
Non-family household	Consists of unrelated people only. A non-family household can be either a person living alone or a group household.
Not in the labour force	A person who, during the reference week, was not in the categories employed or unemployed, as defined.
One family household	A household containing only one family. Unrelated individuals may also be present.
One parent, one family household	A one family household comprising a lone parent with at least one dependent or non-dependent child. The household may also include other relatives and unrelated individuals.
Other dwelling	Includes caravans, houseboats, or houses or flats attached to a shop or other commercial premise.
Other household	Includes a group household (comprising both related and unrelated people); a household with an extended family (e.g. grandparents, parents and children); and a household with multiple families.
Other family household	A household with an extended family (e.g. couple living with a single parent); and a household with multiple families.
Other income	Income other than wages and salaries, own business or partnership income and government pensions and allowances. This includes income received as a result of ownership of financial assets (interest, dividends), and of non-financial assets (rent, royalties) and other regular receipts from sources such as superannuation, child support, workers' compensation and scholarships. Income from rent is net of operating expenses and depreciation and may be negative when these are greater than gross receipts.
Other landlord type	Where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.
Other tenure type	A household which is not an owner, a purchaser or a renter. Includes rent free.
Owner (of dwelling)	A household in which at least one member owns the dwelling in which it usually resides. Owners are divided into two classifications - owners without a mortgage and owners with a mortgage. If there is any outstanding mortgage or loan secured against the dwelling the household is an owner with a mortgage. If there is no mortgage or loan secured against the dwelling the household is an owner without a mortgage.
Own account worker	A person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade and hires no employees.
Own unincorporated business cash income	The profit or loss from own unincorporated enterprise in the previous financial year, expressed as a weekly equivalent. Profit or loss consists of the value of the gross output of the enterprise after the deduction of operating expense (including depreciation). Losses occur when operating expenses are greater than gross receipts and are treated as negative income.
Principal source of income	That source from which the most positive income is received. If total income is nil or negative the principal source is undefined. As there are several possible sources a household with income from all sources may receive less than 50% of total income from the principal source.

GLOSSARY *continued*

Private income	Regular, recurring receipts from private organisations, including superannuation, regular workers' compensation, income from annuities, interest, dividends, royalties, income from rental properties, private scholarship and child support.
Private renter	A household paying rent to a landlord who is a real estate agent, a parent or other relative not in the same household or another person not in the same household.
Public renter	A household paying rent to a State or Territory housing authority/trust.
Reference person	<p>The reference person for each household is chosen by applying, to all household members aged 15 years and over, the selection criteria below, in the order listed, until a single appropriate reference person is identified:</p> <ul style="list-style-type: none"> ■ the person with the highest tenure when ranked as follows: owner without a mortgage, owner with a mortgage, renter, other tenure ■ one of the partners in a registered or de facto marriage, with dependent children ■ one of the partners in a registered or de facto marriage, without dependent children ■ a lone parent with dependent children ■ the person with the highest income ■ the eldest person. <p>For example, in a household containing a lone parent with a non-dependent child, the person with the highest tenure will become the reference person. If the non-dependent child is an owner with a mortgage and the lone parent lives in the dwelling rent free, the non-dependent child will become the reference person. If both individuals have the same tenure, the one with the higher income will become the reference person. However, if both individuals have the same income, the elder will become the reference person.</p>
Renter	A household which pays rent to reside in the dwelling. See further classification by Landlord type.
Semi-detached, row or terrace house or townhouse	A dwelling with its own private grounds and no dwelling above or below. A key feature of this dwelling is that it is either attached in some structural way to one or more dwellings or is separated from neighbouring dwellings by less than one-half metre. Examples include semi-detached, row or terrace houses, townhouses or villa units. Multistorey townhouses or units are separately identified from those which are single storey.
Separate house	A dwelling which is self-contained and separated from other houses (or other buildings or structures) by a space to allow access on all sides (at least one-half metre). This category also includes houses that have an attached flat (e.g. a granny flat). The attached flat will be included in the flat, unit or apartment category. See also Flat, unit or apartment.
Tenure type	The nature of a household's legal right to occupy the dwelling in which the household members usually reside. Tenure is determined according to whether the household owns the dwelling outright, owns the dwelling but has a mortgage or loan secured against it, is paying rent to live in the dwelling or has some other arrangement to occupy the dwelling.
Unemployed	<p>A person aged 15 years and over who was not employed during the reference week, had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and;</p> <ul style="list-style-type: none"> ■ was available for work in the reference week, or would have been available except for temporary illness (i.e. lasting for less than four weeks to the end of the reference week); or ■ was waiting to start a new job within four weeks from the end of the reference week and would have started in the reference week if the job had been available then; or

GLOSSARY *continued*

- Unemployed *continued*** ■ was waiting to be called back to a full-time or part-time job from which they had been stood down without pay for less than four weeks up to the end of the reference week (including the whole of the reference week) for reasons other than bad weather or plant breakdown.
- Value of dwelling** The estimated value of the dwelling and its land, as estimated and reported by the household respondent. The data are only collected for owners
- Wages and salaries** The gross cash income received as a return to labour from an employer or from a person's own incorporated business.

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