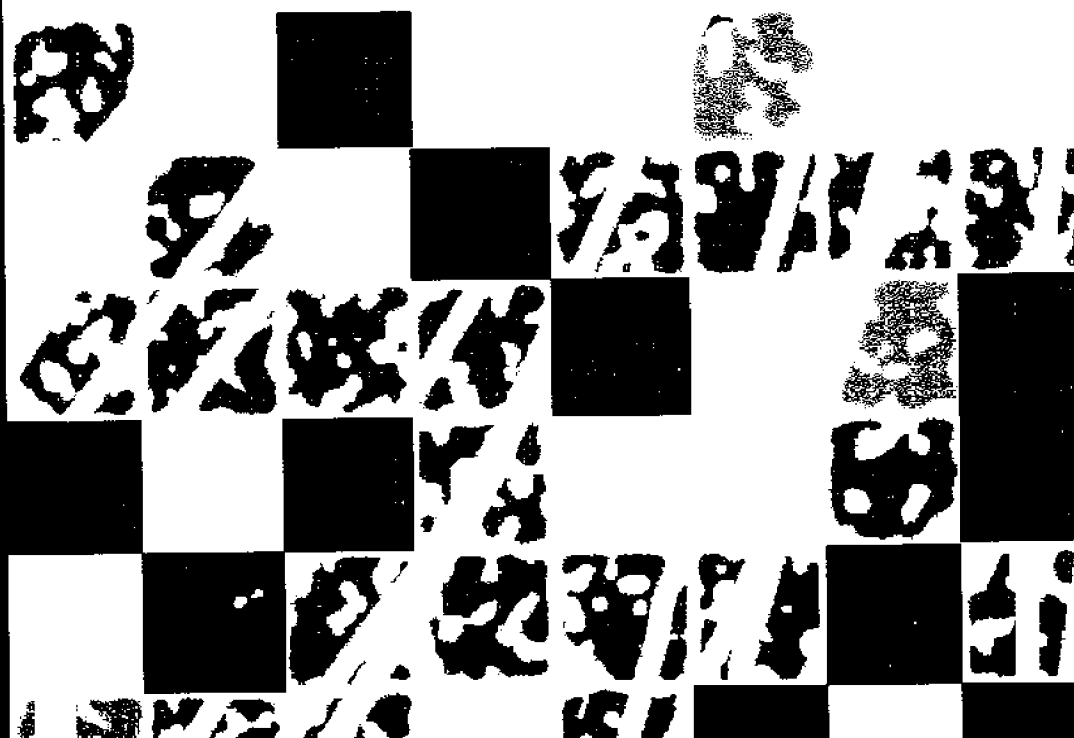




Standards for Cash Income Statistics

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AUSTRALIAN BUREAU OF STATISTICS

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CONTENTS

		Page
	Preface	v
	List of abbreviations	vi
CHAPTER 1	Overview of the cash income variables	1
	Introduction	1
	Overview of ABS statistics on household economic wellbeing	1
	ABS framework for household income, consumption, saving and wealth	2
	Measuring the cash income variables	3
	Comparability across collections	4
CHAPTER 2	Cash Income Question Modules	5
	Overview	5
	Methodology	5
	Detailed question module	6
	Standard question module	14
	Abbreviated question module	17
	Single question module	18
CHAPTER 3	Standard for the variable Total Cash Income	20
	Introduction	20
	Definition	20
	Scope	21
	Measurement issues	21
	Negative cash income	23
	Counting unit	24
	Individual sources of cash income versus Total Cash Income from all sources	24
	Dollar amounts versus ranges	24
	Classification and code structure	25
	Cash income ranges for use in standard cash income modules	25
	Standard cash income ranges	26
	Factors affecting the derivation and updating of income ranges	26
	Question modules	26
CHAPTER 4	Standard for the variable Sources of Cash Income	27
	Introduction	27
	Primary Cash Income	27
	Property Cash Income	28
	Transfer Cash Income	29
	Classification and code structure	31
	Question modules	34
	Output categories	34
CHAPTER 5	Standard for the variable Principal Source of Cash Income	35
	Introduction	35
	Definition	35
	Scope	35
	Output categories	35
	Question modules	35
ADDITIONAL INFORMATION	Appendix A — Facsimile prompt cards	36
	Appendix B — Cash receipts not considered income	44
	Glossary	46
	Bibliography	49

PREFACE

This publication presents statistical standards for three variables used to collect cash income statistics: Total Cash Income, Sources of Cash Income and Principal Source of Cash Income. These variables are commonly used in a range of social statistical collections and are part of a series of statistical standards that the Australian Bureau of Statistics (ABS) is developing for the collection, processing and dissemination of variables in social, labour and demographic statistics.

This publication is a reference document for the use of the three cash income variables and for their associated conceptual issues and definitions. The standards include the recommended concepts, definitions, classifications, coding structures, question modules and output categories used in ABS interviewer-based and self-enumerated collections.

It is hoped the publication of these standards will encourage government, academic and private sector organisations to implement the standards in their own collections. This would improve the comparability of data from these sources.

The ABS would welcome feedback on any aspect of these standards.

W. McLennan
Australian Statistician

CHAPTER 1. OVERVIEW OF THE CASH INCOME VARIABLES

INTRODUCTION

An important area of economic and social concern, both in Australia and internationally, is household income and expenditure. This area of concern, broadly described as 'economic wellbeing', is closely associated with other areas of social concern such as health, education and working life. The economic resources available to persons and families are important determinants of their overall economic and social wellbeing.

This publication aims to provide a sound conceptual basis for understanding the importance of cash income in the broader context of total household economic resources and how analysts use it as an indicator of economic wellbeing. A wider standard that will incorporate variables associated with non-cash forms of income is planned to be developed in the future.

The development of standards for:

- Total Cash Income;
- Sources of Cash Income; and
- Principal Source of Cash Income

and their adoption in a variety of statistical and administrative data collection activities is intended to promote the comparability of cash income data from this range of sources. This publication outlines the concepts, definitions, classifications, code structures, question modules and output categories used in ABS household surveys for these three variables. It provides a better understanding of the range of ABS data on cash income and will assist those who wish to adopt the standards in their own statistical activities.

OVERVIEW OF ABS STATISTICS ON HOUSEHOLD ECONOMIC WELLBEING

Issues of levels and distribution of income and expenditure have been the subject of a number of ABS statistical collections over the last two decades.

The main data collection vehicles for household income and expenditure statistics within the ABS program have been the continuous Survey of Income and Housing Costs (SIHC) and the five-yearly Household Expenditure Survey (HES). Other ABS surveys, including those on families, health and housing, have also collected data on cash income, although in considerably less detail. The Census of Population and Housing, conducted every five years, also includes a question on cash income.

The ABS recognises that the picture of economic wellbeing drawn from these collections is incomplete, only describing flows of cash income into households (and, in the HES, expenditure on consumption). Additional ABS analyses (Fiscal Incidence Studies) have expanded the measure of income to include the imputed effects of selected government benefits and taxes on household income.

Receipts and disbursements
continued The standard concepts, definitions and classification of cash income are based on the cash components of the income concepts, definitions and classification included in the Framework.

MEASURING THE CASH INCOME VARIABLES

A very accurate and precise measure of Total Cash Income from all sources requires numerous detailed questions administered through a personal interview (PI) with every individual in scope of the collection. However, because of time, space and cost restraints and the need to limit the burden imposed on survey respondents it is not always feasible to collect cash income data in this way.

This publication presents four question modules designed to meet a range of requirements while retaining an appropriate degree of conceptual and operational consistency. The choice of module will depend on analytical requirements and operational constraints. Each module is briefly outlined below. (See Chapter 2 for full discussion and question details.)

Detailed question module The Detailed question module comprises 38 questions (excluding sequence guides) and provides a detailed and precise measure of cash income. Face-to-face interview methodology is required to collect data at this level of detail. This module is recommended where Total Cash Income, as a proxy measure of economic wellbeing, is a major component of the proposed analysis, and/or there is a need to identify separate sources of cash income. Principal Source of Cash Income can be derived from this module.

Standard question module The Standard question module comprises eight questions (excluding sequence guides) and provides a broad measure of Total Cash Income. This module is suitable for surveys conducted face-to-face by an interviewer.

The Standard question module is recommended for use in surveys where economic wellbeing is not a major focus but a measure of cash income is needed for cross-classificatory purposes. This module collects the amount of cash income received in dollar values from two groups of sources. Because it does not identify individual sources, it cannot support analysis of amount of cash income by Sources of Cash Income. Information on Principal Source of Cash Income is obtained directly from the respondent.

Abbreviated question module The Abbreviated question module comprises four questions (excluding the sequence guide) and has been designed for use in telephone interviews and face-to-face interviews using PI or any responsible adult (ARA) methodology. The Abbreviated module is recommended when time and space constraints prohibit the use of the Standard question module.

The Abbreviated question module is significantly less accurate than the Standard question module as it collects only one value (Total Cash Income from all sources). As in the Standard question module, Principal Source of Cash Income is obtained directly from the respondent, but this is an optional question for this module.

CHAPTER 2. CASH INCOME QUESTION MODULES

OVERVIEW

A question module is a set of questions designed to collect data for the measurement of a particular variable or group of related variables.

Designing question modules requires consideration of many factors including:

- the survey methodology;
- analytical requirements;
- time, space and cost constraints; and
- provider load.

This chapter presents four standard question modules:

- the Detailed question module;
- the Standard question module;
- the Abbreviated question module; and
- the Single question module.

The Detailed question module can be used to collect data on the cash income variables Total Cash Income, Sources of Cash Income and Principal Source of Cash Income. The Standard question module can be used to collect Total Cash Income and Sources of Cash Income with an optional question for collecting Principal Source of Cash Income. The Abbreviated question module can be used to collect Total Cash Income with an optional question for collecting Principal Source of Cash Income. The Single question module can be used to collect Total Cash Income only.

METHODOLOGY

ABS household collections generally use one of the following methodologies:

- Personal interview (PI), where a trained interviewer personally interviews each person selected;
- Any responsible adult (ARA), where a trained interviewer asks one person in the household for information about all persons in the household; or
- Self-enumeration, where questionnaires left at the household may be completed either by each selected person or by one person on behalf of all household members.

Both PI and ARA surveys can be conducted face-to-face or by telephone.

DETAILED QUESTION
MODULE *continued*

This module is the minimum requirement for surveys where Total Cash Income, as a proxy measure of economic wellbeing, is a major component of the proposed analysis. This module is based on those parts of the SIHC and the HES which relate to current usual cash income. It is intended for use in any ABS or external surveys where income is a major (though not the only) focus.

Those contemplating using this module should be aware that the questions are subject to an ongoing testing and development program and that government cash transfer payments (pensions, allowances, etc.) change frequently. It is advisable therefore to contact the ABS for information about the results of subsequent testing or changes to the module. To obtain a copy of the current version, please contact the Assistant Director, Social Classifications and Standards, Canberra (02) 6252 5736.

Data collected using the Detailed question module will allow a wide range of analytical options, including:

- reliable analysis of cash income distribution;
- detailed analysis of the amounts of cash income received from each source;
- imputation of income tax payable and net cash income; and
- precise derivation of Total Cash Income, Sources of Cash Income and Principal Source of Cash Income for aggregate units such as income units and households from individual data.

For correct sequencing it is essential to use the Detailed questionnaire module in combination with a labour force module which includes the identification of incorporated enterprises for those owning their own businesses.

Words for interviewers to read out are in **bold type**. Instructions to interviewers appear in *italics*. Clarifying items for readers are in brackets. Prompt cards are typically colour coded. If following this convention, insert the appropriate colour in interviewers' instructions.

Q1 *Sequence Guide:*

If unincorporated enterprise ---> Go to Q2

Otherwise ---> Go to Q4

Q2 **In the last financial year, what was your share of profit or loss from your unincorporated enterprise or farm before income tax but after deducting expenses?**

Profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nil	---	Go to Q4	<input type="checkbox"/>	1		
Don't know	---	Go to Q4	<input type="checkbox"/>	2		
Not in business last financial year	---	Go to Q4	<input type="checkbox"/>	3		

DETAILED QUESTION
MODULE *continued*

Q8 In the last financial year, did you receive any income from renting properties you owned or were buying?

- Yes 1
No 2 --->Go to Q11

Q9 What was your total income from rent in the last financial year after expenses were deducted? Please exclude any rent already reported.

- Profit
Loss
Nil 1

Q10 How many weeks did that rental income cover?

- Weeks

Q11 Sequence Guide:

- If owner of incorporated enterprise* --->Go to Q12
If wage or salary earner --->Go to Q18
If no children aged 18 or under --->Go to Q31
Otherwise --->Go to Q24

Q12 I would now like to ask about your pay from your incorporated company. What was the total amount of your most recent pay before income tax or anything else was taken out?

- Gross pay (dollars)

Q13 What period did that pay cover?

- Week 1
Fortnight 2
Four weeks 3
Calendar month 4
Year 5
Other (*Specify*) 6

Q14 Was this your usual pay?

- Yes 1
No 2 ---->Go to Q17

Q15 How much do you usually receive each pay?

- Gross pay (dollars)

Q16 What period does that pay cover?

- Week 1
Fortnight 2
Four weeks 3
Calendar month 4
Year 5
Other (*Specify*) 6

Q27 What period did that payment cover?

- Week 1
Month 2

Q28 Did you receive a lump sum advance with that payment?

- Yes 1
No 2 --->Go to Q31

Q29 How much was the lump sum advance?

Amount (dollars)

Q30 What period did that cover?

- Week 1
Month 2

Q31 *Interviewer:* Show [colour] Prompt Card B

Do you currently receive any of these pensions, allowances or other forms of assistance?

Interviewer: If 'yes', prompt for which one

(Only one response allowed)

- Australian Age Pension 1
Newstart Allowance 2
Youth Training Allowance 3
Mature Age Allowance 4
Service Pension (DVA) 5
Disability Support Pension (DSS) 6
Sole Parent Pension 7
Wife Pension 8
Carer Pension 9
Sickness Allowance 10
Widow Allowance (DSS) 11
Special Benefit 12
Partner Allowance 13
No/None of these 14 --->Go to Q34

Q32 How much was the last (pension/allowance/benefit) payment you received including only your share of a joint payment?

Amount (dollars)

Q33 What period did that payment cover?

- Weeks 1

Q37 I would now like to ask about income you receive from any other sources. Do you currently receive regular payments from any of these sources?

(Multiple responses allowed for this question)

- | | | |
|---------------------------------------|--------------------------|---|
| Superannuation or Annuity | <input type="checkbox"/> | 1 |
| Child Support or maintenance | <input type="checkbox"/> | 2 |
| Workers' Compensation | <input type="checkbox"/> | 3 |
| Accident or Sickness Insurance | <input type="checkbox"/> | 4 |
| Persons not in this household | <input type="checkbox"/> | 5 |
| None of these | <input type="checkbox"/> | 6 |
- > Go to Q40

Q38 How much was the last payment you received from (Specify each source marked in Q37):

- | | | |
|-------------------------------|--------------------------|---|
| Superannuation/Annuity? | <input type="checkbox"/> | 1 |
| Child Support/maintenance? | <input type="checkbox"/> | 2 |
| Workers' Compensation? | <input type="checkbox"/> | 3 |
| Accident/Sickness Insurance? | <input type="checkbox"/> | 4 |
| Persons not in the household? | <input type="checkbox"/> | 5 |

Q39 What period did that payment (Specify each source marked in Q37) cover?

- | | | |
|---------------------------------------|--------------------------|---|
| Superannuation/Annuity
Weeks | <input type="checkbox"/> | 1 |
| Child Support
Weeks | <input type="checkbox"/> | 2 |
| Workers' Compensation
Weeks | <input type="checkbox"/> | 3 |
| Accident/Sickness Insurance
Weeks | <input type="checkbox"/> | 4 |
| Persons not in the household
Weeks | <input type="checkbox"/> | 5 |

Q40 Do you currently receive regular income from any other sources?

- | | | |
|---------------|--------------------------|---|
| Yes (Specify) | <input type="checkbox"/> | 1 |
| No | <input type="checkbox"/> | 2 |
- No more questions

Q41 How much do you usually receive from (Specify sources in Q40)

Amount

Q42 What period does that cover?

- | | | |
|-----------------|--------------------------|---|
| Week | <input type="checkbox"/> | 1 |
| Fortnight | <input type="checkbox"/> | 2 |
| Four weeks | <input type="checkbox"/> | 3 |
| Calendar month | <input type="checkbox"/> | 4 |
| Year | <input type="checkbox"/> | 5 |
| Other (Specify) | <input type="checkbox"/> | 6 |

Q3 *Interviewer: Show [colour] Prompt Card F*

Does currently receive income from any of these sources?

Interviewer: If 'yes', prompt for which ones

(Multiple responses allowed for this question)

- | | | |
|---------------------------------------|--------------------------|---|
| Wages or salary | <input type="checkbox"/> | 1 |
| The Government Family Payment | <input type="checkbox"/> | 2 |
| Other Government pension or allowance | <input type="checkbox"/> | 3 |
| Child Support or maintenance | <input type="checkbox"/> | 4 |
| Superannuation or Annuity | <input type="checkbox"/> | 5 |
| Any other regular source | <input type="checkbox"/> | 6 |
| No/None of the above | <input type="checkbox"/> | 7 |
- > Go to Q6

Q4 **Before income tax is taken out, how much does usually receive from (this/these) source(s) in total?**

- | | | | | | | |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Amount (dollars) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Don't know | <input type="checkbox"/> | ---->Go to Q6 | | | | 1 |

Interviewer: If respondent unable to answer, prompt for their best estimate

Q5 **What period does that cover?**

- | | | |
|-----------------|--------------------------|---|
| Week | <input type="checkbox"/> | 1 |
| Fortnight | <input type="checkbox"/> | 2 |
| Four weeks | <input type="checkbox"/> | 3 |
| Calendar Month | <input type="checkbox"/> | 4 |
| Year | <input type="checkbox"/> | 5 |
| Other (Specify) | <input type="checkbox"/> | 6 |

[End of module. Supplementary questions (Q7 and Q8) identify detailed pensions and allowances. Additional question (Q10) identifies Principal Source of Cash Income.]

Q6 *Sequence guide*

If 3 in Q3 --->Go to Q7

If more than one source of income

(Refer to Q1 & Q3) --->Go to Q10

Otherwise --->No more questions

STANDARD QUESTION
MODULE *continued*

Q10 *Interviewer: Show [colour] Prompt Card G*

What is main source of income?

(Only one response allowed)

- | | | |
|--|--------------------------|---|
| Wages or salary (including from own incorporated business) | <input type="checkbox"/> | 1 |
| Profit or loss from own unincorporated business or share
in a partnership | <input type="checkbox"/> | 2 |
| Profit or loss from rental property | <input type="checkbox"/> | 3 |
| Dividends or interest | <input type="checkbox"/> | 4 |
| Any Government pension or allowance | <input type="checkbox"/> | 5 |
| Child support or maintenance | <input type="checkbox"/> | 6 |
| Superannuation or annuity | <input type="checkbox"/> | 7 |
| Workers' Compensation | <input type="checkbox"/> | 8 |
| Other | <input type="checkbox"/> | 9 |

ABBREVIATED QUESTION
MODULE

The Abbreviated question module comprises four questions and has been developed for use in surveys using either PI or ARA methodology in telephone or face-to-face contexts. Note that Q1 selects the population for this module and reminds the respondent of possible sources of cash income to assist them in providing an answer to Q2. It is not suitable for the collection of data on Sources of Cash Income. The optional Q5 collects the variable Principal Source of Cash Income.

Those contemplating using this module should be aware that the questions are subject to an ongoing testing and development program. It is advisable therefore to contact the ABS for information about the results of subsequent testing or changes to the module. Please contact the Assistant Director, Social Classifications and Standards, Canberra (02) 6252 5736.

Words for interviewers to read out are in **bold type**. Instructions to interviewers appear in *italics*. Clarifying items for readers are in brackets. Prompt cards are typically colour coded. If following this convention, insert the appropriate colour in interviewers' instructions.

Q1 **Could you please tell me if receives income from any of these sources:**

(Multiple responses allowed for this question)

- | | | |
|---|--------------------------|----------------------------|
| Wages or salary? | <input type="checkbox"/> | 1 |
| Profit or loss from a business or rental property? | <input type="checkbox"/> | 2 |
| The Government Family Payment? | <input type="checkbox"/> | 3 |
| Other Government pension, benefit or allowance? | <input type="checkbox"/> | 4 |
| Any other regular source? | <input type="checkbox"/> | 5 |
| None of the above | ---> No more questions | <input type="checkbox"/> 6 |

Standard question This is the recommended single question for self-enumeration:

Q1 Before tax is taken out, how much income do you/does ... usually receive each week from all sources?

Include: wages, salary, all government pensions and allowances (including family payment), interest, dividends, superannuation, profit/loss from own business or rental property, and any other regular income.

Amount per week (dollars)
 or amount per year (dollars)
 Nil income 1
 Negative income 2

1996 Census question The 1996 Census question, shown below, used standard income ranges. See Chapter 3 for details about the derivation and updating of the standard income ranges. Note: Additional Family Payment no longer exists.

29 What is the gross income (including pensions and allowances) that the person usually receives each week from all sources?

• **Mark one box only.**

• **Count all income for each person including:**

- family payment
- additional family payment
- rental assistance
- pensions
- unemployment benefits
- student allowance
- maintenance (child support)
- worker's compensation
- wages
- salary
- overtime
- commissions and bonuses
- interest received
- dividends
- rents received (less expenses of operation)
- business or farm income (less expenses of operation)

• **Do not deduct:**
 tax
 superannuation
 health insurance

- \$1,500 or more per week (\$78,000 or more per year)
- \$1,000–\$1,499 per week (\$52,000–\$77,999 per year)
- \$800–\$999 per week (\$41,600–\$51,999 per year)
- \$700–\$799 per week (\$36,400–\$41,599 per year)
- \$600–\$699 per week (\$31,200–\$36,399 per year)
- \$500–\$599 per week (\$26,000–\$31,199 per year)
- \$400–\$499 per week (\$20,800–\$25,999 per year)
- \$300–\$399 per week (\$15,600–\$20,799 per year)
- \$200–\$299 per week (\$10,400–\$15,599 per year)
- \$160–\$199 per week (\$8,320–\$10,399 per year)
- \$120–\$159 per week (\$6,240–\$8,319 per year)
- \$80–\$119 per week (\$4,160–\$6,239 per year)
- \$40–\$79 per week (\$2,080–\$4,159 per year)
- \$1–\$39 per week (\$1–\$2,079 per year)
- Nil income
- Negative income

Intra-household transfers

The concept of cash income excludes transfers between members of the same household. From an individual point of view, regular cash transfers from other household members, like parents, could be included as cash income. While there is much interest in such intra-household transfers, analysis of economic wellbeing is more meaningful at an aggregate level such as income unit, family or household. The standard therefore excludes intra-household transfers.

SCOPE

The cash income concept applies to individuals, income units, families, and households. The Total Cash Income of a unit is equal to the sum of the total cash incomes of its members.

MEASUREMENT ISSUES

The main considerations in measuring Total Cash Income relate to:

- reference period;
- whether to measure actual or usual cash income; and
- whether to measure gross or net cash income.

To enable comparison, and aggregation, of cash income from different sources, it is necessary to use a standard reference period. The variable Total Cash Income adopts a weekly equivalent measure of current cash income. The reasons for this choice and the respective merits of each of the possible alternatives are outlined below.

Annual versus current cash income

Both annual and current cash income have advantages and disadvantages in terms of usefulness and ease of collection. The advantage of an annual cash income measure is that it smooths out short-term cash income fluctuations and 'lumpy' receipts and may therefore be a better proxy of economic wellbeing than a current measure.

For some sources of cash income, such as Entrepreneurial Cash Income and Rental Cash Income, it is not possible to collect high quality data on a current basis. In most cases, estimates of current cash income from these sources relate to data from the previous financial year. Also, financial year cash income provides a useful practical reference period, given that persons with businesses are required to assess their financial year cash income for taxation purposes.

There are, however, some major disadvantages in using annual cash income:

- given that it is necessary to collect annual cash income for the previous financial year (after records have been finalised for taxation purposes), the data may be up to two years old at the time of collection;
- respondents to surveys may have difficulty recalling the cash income received over a period as long as a year, in particular those with periods of employment and unemployment, casual work and part-time work; and
- cash income received in the previous financial year may not be directly relatable to the socioeconomic and other characteristics of the person, income unit, family or household at the time of data collection. Matching cash income levels with characteristics such as Labour Force Status and family size and composition is essential for social and economic analysis.

Current usual versus current
actual cash income
continued

The Detailed question module asks respondents to estimate their usual cash income where the actual amount reported is not the same as the usual amount. The Standard question module asks actual last financial year cash income for Entrepreneurial Cash Income, rent, interest and dividends. This amount combines with current cash income from other sources to derive current usual weekly equivalent cash income. The Abbreviated question module and the Single question module ask respondents to report current usual cash income from all sources.

As discussed above, there are some forms of cash income, such as business, rent and investments, where respondents cannot provide accurate information on their cash income on a current basis. For this reason, the practical solution has been to use the reported Entrepreneurial Cash Income for the previous financial year as a proxy for the current year, which is then pro-rated to represent a current usual (weekly equivalent) cash income.

Cash income from other sources, which are collected for a shorter reference period, differ in the degree of variability over time. The general approach for these is to use the most recent payment received, pro-rated to a weekly equivalent. If the last payment is unusually high or low then the respondent is asked to report the amount usually received. Shift workers with different 'usual' pays for different shifts may find it difficult to give a usual pay and in this case, cash income for the last three pays is averaged.

Gross and net cash income

Cash income is collected as a gross measure, before income tax or any other deductions. Many clients require this measure and the data are used, for example, in eligibility testing for income support policies. Field testing has also shown that respondents are unable to give a reliable estimate of the value of tax paid. Many clients also want a measure of net cash income after tax because after tax cash income provides a better proxy measure of economic wellbeing than gross cash income. The ABS has therefore undertaken a commitment to impute income tax.

However, reliable imputation of taxes paid or payable will usually require that cash income be collected for each source of cash income. This is necessary because some forms of cash income are taxable while other forms are not and different deductions and rates may apply. Where estimates of the amount of cash income that is taxable are not available from the survey, then the imputation of tax would not be reliable. Therefore, imputation of tax payable will only be possible for surveys using the Detailed question module.

NEGATIVE CASH INCOME

Cash income from some sources, like business or rent, may be negative and Total Cash Income may therefore be negative. The recommended treatment of negative values is to retain the negative. When added to other sources of cash income (if any) they will impact negatively on Total Cash Income. The Abbreviated question module and the Single question module allow for respondents to report a nil or negative value directly for Total Cash Income.

DOLLAR AMOUNTS VERSUS
RANGES *continued*

- Precise disaggregation of the population into cash income quintiles and deciles, which is the recommended standard for cash income as a cross-classificatory variable. Use of quintiles/deciles provides the simplest and best means of comparison over time and across different collections. This usage is also particularly valuable for international comparisons.
- Greater flexibility in producing survey results. In addition to quintiles/deciles, data can be presented in standard ranges and in ranges for specific analytical purposes, such as to reflect cash income limits for government pensions.
- Greater precision in calculation of summary measures, such as means, medians and gini-coefficients, is possible when data is collected in dollar values. Dollar values are also important for the calculation of equivalent cash income and the application of poverty lines.
- Imputation of personal taxation payable on cash income.

CLASSIFICATION AND CODE
STRUCTURE

Deciles or quintiles are the preferred output categories for cash income. The population is grouped according to the amount of cash income received into either 10 (deciles) or five (quintiles) equal parts. Dollar values for decile/quintile cut-off points are included in published tables for additional information.

Deciles/quintiles should be used to group persons, income units, families and households according to Total Cash Income, and can also be used to classify subgroups of the population according to cash income from a particular source, for example, employees by cash income deciles.

The classification of populations by income quintiles is useful as many clients select the bottom cash income decile or quintile as an indication of the population most at risk of economic disadvantage.

A classification using income quintiles also allows for a simple comparison of incomes over time and across different population groups. For example, if a cash income deciles classification is used at two different points of time, then one can study the poorest 10% of the population, the richest 10%, etc. This is not possible with fixed dollar ranges.

CASH INCOME RANGES FOR
USE IN STANDARD CASH
INCOME MODULES

It is not possible to output in deciles/quintiles if the data have been collected in ranges and there are some instances where the data collection and data capture methods require cash income data to be collected in ranges rather than use a dollar value. For example, the 1996 Census collected cash income in ranges because of concerns about sensitivity issues associated with the provision of a dollar amount. In such cases the output ranges can only correspond to the collection ranges or aggregates of them.

In instances where data have been collected as dollar values but there is a requirement for output in ranges (for example, to provide comparability with data from other sources) then standard output ranges should also be used.

The following input ranges, by necessity, form the basis for output ranges for the dissemination of cash income data in the above cases.

CHAPTER 4. STANDARD FOR THE VARIABLE SOURCES OF CASH INCOME

INTRODUCTION

Sources of Cash Income is the variable used to collect, classify and output data about the sources of cash receipts.

Conceptually, there are three major sources of cash income: as a return to factors of production (Primary Cash Income), as a return to ownership of assets (Property Cash Income) or as a current transfer (Transfer Cash Income). An individual may receive cash income from several different sources.

Identification (and classification) of the various sources of cash income is useful for both collection and analysis of Total Cash Income.

A single classification of Sources of Cash Income is used for the variables Sources of Cash Income and Principal Source of Cash Income. At the broadest level the criteria used to classify Sources of Cash Income are whether it is received as:

- a return to factors of production (Primary Cash Income) in the form of wages and salaries and entrepreneurial income from own unincorporated enterprise;
- a return to ownership of assets (Property Cash Income) in the form of interest, rent dividends etc.; or
- a current transfer (Transfer Cash Income).

The Sources of Cash Income variable applies to individuals, income units, families and households. The source(s) of Total Cash Income of a unit is derived from the sources of cash income of its members.

PRIMARY CASH INCOME

Primary Cash Income is cash income deriving from a return to factors of production.

Primary Cash Income is defined as: cash receipts accruing in the current reference period to employees by virtue of the deployment of their labour and employers and own account workers by virtue of the deployment of their entrepreneurial skill, in productive activity.

The two categories of Primary Cash Income are: Employee Cash Income and Entrepreneurial Cash Income. Entrepreneurial Cash Income, but not Employee Cash Income, is net of expenses.

Employee Cash Income

Wages and salaries comprise the bulk of Employee Cash Income which is often referred to as simply wages and salaries. However, Employee Cash Income also includes: tips, commissions and regular bonuses; other profit sharing bonuses; piecework payments; payment for recurring odd jobs and casual work; penalty payments and shift allowances; director's fees for working directors; remuneration for time not worked such as holiday pay, sick pay, pay for public and other holidays and other paid leave; workers' compensation paid by the employer; and leave loading.

Dividends Dividends comprise cash income received from company investments such as ownership of shares. The concept of cash income excludes in-kind income like bonus shares and dividends paid in the form of additional shares.

Definition Gross cash income received in the previous financial year from company investments such as ownership of shares, expressed as a weekly equivalent.

Other Property Cash Income Other Property Cash Income includes all forms of Property Cash Income not included in the above categories, including royalties received by the owner of a right for the use of patented or copyright materials, etc.

Definition Gross receipts from royalties etc. in the previous financial year expressed as a weekly equivalent.

TRANSFER CASH INCOME Transfer Cash Income often results from an effort of redistribution, either privately, like child support from another household or private pensions, or from government like social security pensions and benefits. It may result from a contractual arrangement, as in the case of payments from a funded pension scheme, or on a non-contractual basis like social security pensions and benefits.

Transfer Cash Income differs from Primary and Property Cash Income in that it does not involve a return for labour or use of assets.

Notionally, Transfer Cash Income is defined as net regular and recurring cash receipts in the current reference period other than those derived from primary or property sources. Transfer Cash Income includes social security cash pensions, benefits and allowances; other pension and life assurance annuity benefits; and other current cash transfers.

Conceptually, private pensions and annuities constitute running down an asset. Strictly speaking, the definition of income excludes such receipts. The ABS, however, takes a practical view of the pension payments, as does the *System of National Accounts 1993* (Inter-Secretariat Working Group on National Accounts 1993, p. 188), recognising that households do not regard these pensions as drawing on assets but as income. Furthermore, for many households, they are the only regular cash receipts and their exclusion would severely affect analysis of the distribution of economic wellbeing, particularly with relation to the elderly. The standard definition of Cash Income therefore includes these payments.

Social Security Cash Pensions, Benefits and Allowances The Sources of Cash Income variable allows for classification by individual entitlement, such as the Age Pension, Youth Training Allowance, Austudy, etc., and at a broader level, by the purpose for which they are granted, such as pensions for aged persons, allowances for the unemployed, benefits for study purposes, etc. (See p. 31 for detailed classification.)

Social Security Cash Pensions, Benefits and Allowances include payments made by a range of government departments, including the Department of Social Security, the Department of Employment Education, Training and Youth Affairs and the Department of Veterans' Affairs, in response to a wide range of claims for income support. They also include pensions paid to Australian residents by overseas governments.

Current Cash Transfers from Other Households Operationally, the definition of Current Cash Transfers from Other Households is gross current regular receipts in the form of child support/maintenance payments and regular cash gifts from relatives or others not living in the same household.

Other Current Cash Transfers, nec Other Current Cash Transfers comprise regular private transfers from bodies other than private organisations and other households, such as trusts.

CLASSIFICATION AND CODE STRUCTURE The classification of Sources of Cash Income has a four level hierarchical structure with three categories at its broadest level, nine categories at the second level, 19 categories at the third level, and 43 categories at the most detailed level. Detailed disaggregate categories are only required for the third broad category, Transfer Cash Income. First level categories are denoted by a 1-digit code, second level categories by a 2-digit code, third level categories by a 3-digit code and fourth level categories by a 4-digit code.

For further explanation and definition of the categories presented here, please refer to the previous sections of this chapter and to the Glossary. Detailed lists of cash income receipts that fall into the residual 'Not elsewhere classified' (nec) base-level categories are presented at the end of the classification. Appendix B provides an indicative list of cash receipts that fall outside the definition of cash income. Please note that the social security cash pensions, benefits and allowances classified here change frequently. Definitions of these benefits are not generally provided in this publication as they are defined by social security legislation and regulations. For current listings, please contact the Assistant Director, Social Classifications and Standards, Canberra (02) 6252 5736.

Classification **1 Primary Cash Income**

11 Employee Cash Income

111 Cash Income from Employer

1111 Cash Income from Employer

112 Cash Income from Own Incorporated Enterprise

1121 Cash Income from Own Incorporated Enterprise

12 Entrepreneurial Cash Income

121 Entrepreneurial Cash Income

1211 Entrepreneurial Cash Income

2 Property Cash Income

21 Interest

211 Interest

2111 Interest

22 Rent

221 Rent

2211 Rent

23 Dividends

231 Dividends from Own Incorporated Enterprise

2311 Dividends from Own Incorporated Enterprise

239 Other Dividends

2391 Other Dividends

29 Other Property Cash Income

291 Other Property Cash Income

2911 Other Property Cash Income

Residual categories Cash income receipts not separately identified in the classification are included in residual or 'Not elsewhere classified' (nec) categories. This section lists all social security cash pensions, benefits and allowances known at time of publication and classified to nec categories. Note that government departments ordinarily make some of these payments in conjunction with other pensions, benefits and allowances, so respondents may be unaware that they are receiving them.

2911 Other Property Cash Income

- Distributions from trusts
- Endorsement payments
- Licensing fees
- Royalties

3119 Pensions for Aged Persons, nec

3129 Allowances for the Unemployed, nec

- Landcare and Environment Action Program (LEAP) (DEETYA)
- New Work Opportunities (DEETYA)
- New Enterprise Initiative Scheme (NEIS) (DEETYA)

3139 Pensions and Allowances for the Sick and Disabled, nec

- Attendant Allowance (DVA)
- Clothing Allowance (DVA)
- Disability Wage Supplement (DSS)
- Mobility Allowance (DSS)
- Recreation Transport Allowance (DVA)
- Vehicle Allowance (DVA)
- Youth Disability Supplement (DSS)

3149 Pensions for Lone Parents and Widowed Persons, nec

- Bereavement Allowance (14 weeks) (DSS)
- Income Support Supplement (DVA)
- Widow B Allowance (DSS)

3159 Family Payments, nec

- Additional Boarding Allowance (DEETYA)
- Basic Boarding Allowance (DEETYA)
- Correspondence Allowance (DEETYA)
- Double Orphan Pension (DSS)
- Guardian Allowance (DSS or DVA)
- Large Family Supplement (DSS)
- Multiple Birth Allowance (DSS)
- School/Hostel directed Boarding Allowance (SBA) (DEETYA)
- Second Home Allowance (DEETYA)

3179 Benefits for Study Purposes, nec

- Education Allowance (DVA)
- Formal Training Allowance (DEETYA)
- Living Away from Home Allowance (LAFHA) (DEETYA)
- Pensioner Education Supplement (DEETYA)
- Veterans' Children's Education Scheme (DVA)

CHAPTER 5. STANDARD FOR THE VARIABLE PRINCIPAL SOURCE OF CASH INCOME

INTRODUCTION	Principal Source of Cash Income is the variable which measures the source from which the greatest proportion of Total Cash Income is received.
DEFINITION	<p>Principal Source of Cash Income is defined as that source from which the greatest amount of cash income is received. However, the principal source will not necessarily provide more than half of Total Cash Income. Application of the variable at different levels of the classification can also affect identification of the principal source. (See Chapter 4 for detailed structure of the standard classification of Sources of Cash Income.)</p> <p>For example, a person may receive 20% of their Total Cash Income from bank interest, 30% from rent, 40% from wages from a part-time job working for an employer and 10% from a private superannuation pension (related to previous employment).</p> <p>At the broadest level of the classification, the Principal Source of Cash Income would be Property Cash Income (50%) followed by Primary Cash Income (40%) and Transfer Cash Income (10%).</p>
SCOPE	The Principal Source of Cash Income variable applies to individuals, income units, families and households. The principal source of total cash income of a unit is derived from the sum of cash incomes, from each source, of its members.
OUTPUT CATEGORIES	<p>Principal Source of Cash Income uses the same classification as Sources of Cash Income, (see pp. 31–32) and can be derived at any level of the classification. The ABS recommends the following output categories for this variable:</p> <ul style="list-style-type: none">Primary Cash Income<ul style="list-style-type: none">Employee Cash Income (wages and salaries)Entrepreneurial Cash Income (business cash income from own unincorporated enterprise or share in a partnership)Property Cash IncomeTransfer Cash Income<ul style="list-style-type: none">Social Security Cash Pensions, Benefits and AllowancesOther Pensions and Life Assurance Annuity BenefitsOther Current Transfers
QUESTION MODULES	<p>The question modules are presented in Chapter 2. For the Detailed question module, Principal Source of Cash Income is a derived variable. The questions relevant to measuring this variable are as follows:</p> <ul style="list-style-type: none">■ questions 1, 2, 4, 5, 9, 12, 15, 18, 21, 24, 26, 28, 29, 30, 31, 32, 35, 38, 40 and 41 of the Detailed question module;■ question 10 of the Standard question module; and■ question 5 of the Abbreviated question module.

- 01. Dividends on shares**
- 02. Royalties**
- 03. Interest from bonds**
- 04. Interest from trusts**
- 05. Interest from debentures**
- 06. Interest from personal loans to persons not in this household**
- 07. Other investments (specify)**
- 08. None of these**

- 01. War Widow's Pension (DVA)**
- 02. Disability Pension (DVA)**
- 03. Parenting Allowance**
- 04. Austudy/Abstudy**
- 05. Child Disability Allowance**
- 06. Overseas Pensions/Benefits**
- 07. Other (Please specify)**
- 08. None of these**

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- 01. Profit or loss from own unincorporated business or share in a partnership**
- 02. Profit or loss from rental property**
- 03. Dividends or interest**

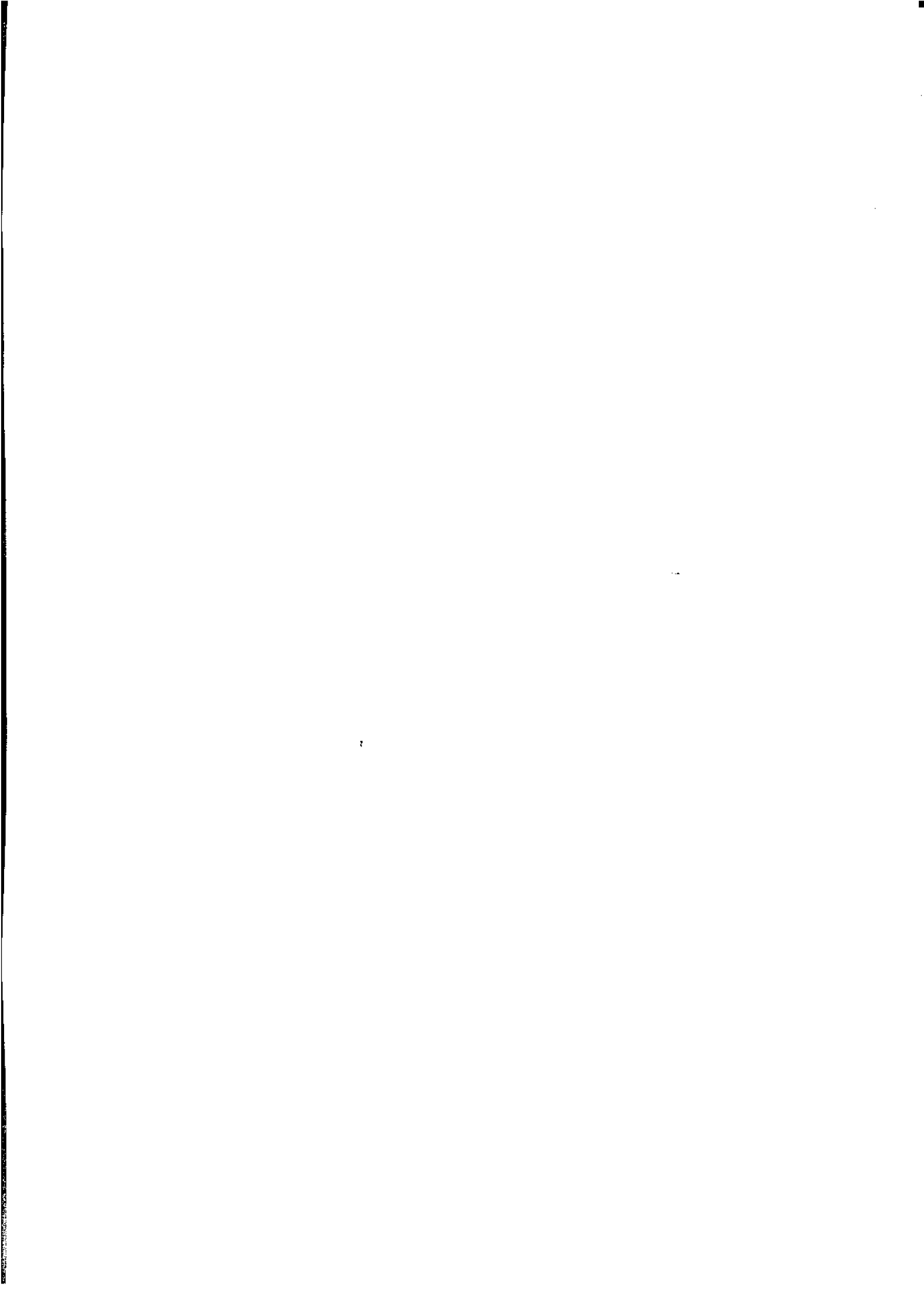
- 01. Wages or salary (including from own incorporated business)**
- 02. Profit or loss from own unincorporated business or share in a partnership**
- 03. Profit or loss from rental property**
- 04. Dividends or interest**
- 05. Any Government pension or allowance**
- 06. Child support or maintenance**
- 07. Superannuation or annuity**
- 08. Workers' compensation**
- 09. Other**

Income tax refund
Inheritance
Insurance payment
Job Search Relocation Assistance (DEETYA)
Legacy
Life insurance payment
Loans
Long Service Leave (payout at retirement)
Lump-sum payments
Maternity Allowance (DSS)
Meal allowance
Ministerial allowance
Overtime payment (if irregular)
Patent (Sale of)
Payment, Bereavement
Payment, Disaster Relief
Payment, Education Entry
Payment, Employment Entry
Payment, Insurance
Payment, Life insurance
Payment, Lump-sum
Payment, Overtime (irregular)
Payment, Redundancy
Payment, Retirement
Payment, Retrenchment
Post Placement Fares Assistance (DEETYA)
Present
Prize
Raffle prize
Redundancy payment
Refund, Income tax
Refund of cooperative shares
Refund of expenses, any other refund
Reimbursement of work-related or other expenses
Relocation Assistance (DEETYA)
Retirement payment or bonus
Retrenchment payment
Sale of any asset
School travel subsidy
Sitting fees
Supplement, Austudy/Abstudy (DEETYA)
Tax refund
Tea money (meal allowance)
Travel allowance (T/A)
Victim compensation
Windfall
Winnings
Withdrawals from bank accounts or other assets

Employer	A person who operates his or her own unincorporated economic enterprise or engages independently in trade, and hires one or more employees.
Entrepreneurial Cash Income	Profit or loss from own unincorporated enterprise in the previous financial year, expressed as a weekly equivalent.
Family	Two or more related people who usually live together. One of these people must be at least 15 years of age. The term <i>related</i> applies to blood, marriage (registered or de facto), adoptive, step or foster relationships.
Government cash pensions, benefits and allowances	See Social Security Cash Pensions, Benefits and Allowances.
Hours usually worked	The number of hours usually worked each week. This information is obtained for all current jobs. Where there is significant variation from week to week, an average is obtained for the four weeks prior to interview.
Household	A household may comprise one person living alone or a group of people who usually reside and eat together. Includes boarders but excludes lodgers, who form a separate household within the dwelling.
Income	See Cash Income.
Income unit	One person, or a group of related persons within a household whose command over income is assumed to be shared. Income sharing is considered to take place between partners in a couple relationship, and between parents and their dependents.
Interest	Gross receipts accrued in the previous financial year from deposits (including term deposits) with banks, building societies, credit unions, and other financial institutions, expressed as a weekly equivalent.
Lodger	A person who lives in the rented quarters of a dwelling occupied by another person or family. A lodger is more independent than a boarder as there is no sharing of meals with other residents of the dwelling and therefore the lodger is considered to form a separate household within the dwelling. They are classified as a <i>lone person</i> in the Relationship in Household Classification and thus form a <i>lone person household</i> .
Main job	The job in which a person usually works the most hours.
Negative income	The loss incurred by an unincorporated enterprise or from rental property when the operating expenses and depreciation exceed the gross receipts.
Operating expenses	The expenses incurred in deriving income from an unincorporated enterprise or rental property, including interest, rent paid, indirect taxes, and repairs and maintenance.
Other Current Transfers	Comprises all regular cash transfers other than Social Security Cash Pensions, Benefits and Allowances and Other Pension and Life Assurance Annuity Benefits. Includes regular cash receipts from private organisations such as insurance payments (including workers' compensation), and private scholarships or study allowances. Also includes regular receipts from other households in the form of child support/maintenance, inheritances and trust funds, and regular cash gifts (e.g. from relatives living outside the household).
Other Pensions and Life Assurance Annuity Benefits	All pensions and regular superannuation payments made other than under the government's social security and related schemes. Includes both private funded schemes and unfunded schemes.
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.

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Person	The term person applies to all members of the population in their capacity as private individuals. It includes individuals as owners of, or partners in, unincorporated enterprises.
Personal interview	Personal interviews involve an interviewer collecting information about a particular person from that person, as opposed to collecting it from any responsible adult.
Primary Cash Income	Cash receipts accruing in the current reference period to employees by virtue of the deployment of their labour, and to employers and own account workers by virtue of the deployment of their entrepreneurial skill, in productive activity.
Principal Source of Cash Income	The variable that classifies the source from which the greatest amount of cash income is received.
Private funded schemes	Those life assurance or superannuation funds to which the individual members and/or their employers make regular contributions on the employee's behalf during the period of employment.
Profit/loss	The net receipts of an enterprise after deducting operating expenses and the value of depreciation of assets used in production. The concept also applies to income from rental properties and, for practical purposes, is operationalised as the taxable income from these sources.
Property Cash Income	Net receipts accruing in the current reference period as a result of ownership of assets. It comprises returns from financial assets (interest, dividends), from physical assets (rents) and from intellectual assets (royalties).
Question module	A set of questions designed to collect data for the measurement of a particular variable or group of related variables.
Rent	Profit or loss from rental activities in the previous financial year, expressed as a weekly equivalent.
Royalties	Payments of a portion of proceeds paid to the owner of a right such as patented or copyright material.
Sequence guide	A device used in some questionnaires to guide the interviewer (or respondent) past any question(s) that do not apply to the respondent of whom the information is being collected.
Social Security Cash Pensions, Benefits and Allowances	Gross current usual (weekly equivalent) cash receipts from government pensions, benefits and allowances paid to persons, families, or households under social security and related government programs.
Sources of Cash Income	The variable that classifies cash income according to the source from which it is received.
Total Cash Income	Gross current usual (weekly equivalent) cash receipts that are of a regular and recurring nature received by the household or its members at annual or more frequent intervals, from employment, own business, the lending of assets and transfers from government, private organisations and other households.
Transfer Cash Income	Net regular and recurring cash receipts in the current reference period other than those derived from primary or property sources. They differ from these in that they do not involve a return for labour or a return for use of assets.
Unfunded schemes	Superannuation schemes (usually run by government employers) in which employers pay retirement benefits to their former employees (or their dependants) out of consolidated revenue without creating a dedicated fund.
Wages and salaries	Wages and salaries comprise the greater part of employee cash income. For most practical purposes the terms are synonymous. See Employee Cash Income.

GLOSSARY

Annual cash income	The cash income of a person, income unit, family or household measured over the reference period of a year, generally the previous financial year.
Any responsible adult	A usual resident of a household aged 18 or over who answers the interviewer's questions on behalf of all other usual residents of the household. In households where no usual resident is over the age of 17, the interviewer may administer a questionnaire to a person aged 15 to 17.
Assets	Property of a financial or non-financial nature, owned by the household or its members, and from which economic benefits may be derived by holding or use over a period of time.
Boarder	A person aged 15 years or over who is unrelated to any member of a household and who receives meals and lodging in return for payment. Boarders are considered household members because they take meals with other household members. They are not family members, however, because they are unrelated to anyone in the household.
Business cash income from own unincorporated enterprise	See Entrepreneurial Cash Income.
Cash Income	See Total Cash Income.
Cash income from employer	See Employee Cash Income.
Cash income from own incorporated enterprise	Wages, salaries or fees paid to the owner of a limited liability (incorporated) company. See also Employee Cash Income.
Current actual cash income	The cash income received in a given reference period such as the most recent pay period before interview.
Current usual cash income	The cash income usually received in a given reference period. Where there is little variation in periodic receipts, this is usually the same as current actual cash income. Where there is significant variation from period to period, it is sometimes necessary to take an average of all receipts over a longer period. For example, cash income from employment may be averaged over the three payments before interview.
Current usual (weekly equivalent) cash income	Current usual cash income expressed as a weekly equivalent. If income is reported on other than a weekly basis, such as fortnightly, monthly or for the previous financial year, it is pro-rated to a weekly equivalent amount.
Dependant	Any child in a household under the age of 15 (Child) or any son or daughter aged 15–24 in a Couple family or One-parent family who is a full-time student and has no child or partner of his or her own (Dependent student).
Depreciation	The value of capital consumed in the productive activity. For practical purposes measurement is limited to the depreciation allowance defined by the Australian Taxation Office in calculation of taxable income from unincorporated enterprises and rental property.
Dividends	Gross cash income received in the previous financial year, from company investments such as ownership of shares, expressed as a weekly equivalent.
Employee	A person aged 15 or over who works for a public or private employer, including their own incorporated enterprise (limited liability company), and receives remuneration in wages or salary, or is paid a retainer fee by his or her employer and works on a commission basis, or works for an employer for tips, piece-rates or payment in kind.
Employee Cash Income	Gross current usual (weekly equivalent) wages or salary from an employer or own limited liability company.

APPENDIX B. CASH RECEIPTS NOT CONSIDERED INCOME

The concept of Cash Income excludes the following types of cash receipts because they are:

- loans;
- one-off or ad hoc payments;
- reimbursements of expenses incurred on behalf of the employer;
- intra-household transfers;
- sales of assets; or
- drawings on assets.

Abstudy Supplement (DEETYA)

Allowance, car

Allowance, councillor's

Allowance, electoral

Allowance (regular) from other member of same household (parents, etc.)

Allowance, Maternity (DSS)

Allowance, meal

Allowance, ministerial

Allowance, travel (T/A)

Assistance, Fares

Assistance, Job Search Relocation

Assistance, Post Placement Fares (DEETYA)

Assistance, Relocation

Austudy Supplement (DEETYA)

Benefit, Funeral

Bequest

Bereavement Payment (DSS)

Birthday present

Board (from member of same household)

Borrowings

Capital gains

Car allowance

Christmas present

Compensation (flood or drought relief)

Compensation, victim

Cooperative shares refund

Councillor's allowance

Divorce property settlement

Disaster Relief Payment (DSS)

Education Entry Payment (DSS)

Electoral allowance

Employment Entry Payment (DSS)

Ex gratia payments

Fares Assistance (DEETYA)

Farm Household Support (DSS)

Funeral Benefit (DVA)

Gambling winnings

Gift

Honorarium

- 01. Wages or salary**
- 02. The Government Family Payment**
- 03. Other Government pension or allowance**
- 04. Child support or maintenance**
- 05. Superannuation/Annuity**
- 06. Any other regular source**
- 07. None of the above**

D

- 01. Superannuation/Annuity**
- 02. Child Support**
- 03. Workers' Compensation**
- 04. Accident/Sickness Insurance**
- 05. Persons not in this household**
- 06. None of these**

- 01. Australian Age Pension**
- 02. Newstart Allowance**
- 03. Youth Training Allowance**
- 04. Mature Age Allowance**
- 05. Service Pension (DVA)**
- 06. Disability Support Pension (DSS)**
- 07. Sole Parent Pension**
- 08. Wife Pension**
- 09. Carer Pension**
- 10. Sickness Allowance**
- 11. Widow Allowance (DSS)**
- 12. Special Benefit**
- 13. Partner Allowance**
- 14. None of these**

APPENDIX A. FACSIMILE PROMPT CARDS

The facsimile prompt cards on the following pages are for use with the Detailed question module and the Standard question module in Chapter 2. The prompt cards are in precisely the format used in ABS surveys, with the options numbered for easy reference and response and in 18 point Arial bold type. The ABS grants permission to photocopy these prompt cards.

Residual categories 3199 Other Pensions, Allowances and Benefits, nec
continued Carer Service Pension (DVA)
 Dependant Child Add-On (DVA)
 Domiciliary Nursing Care Benefit (DHFS)
 Drought Relief Payment (DSS)
 Orphan's Pension (DVA)
 Pharmaceutical Allowance (DSS or DVA)
 Rent Assistance (DSS or DVA)
 Remote Area Allowance (DSS or DVA)
 Telephone Allowance (DSS or DVA)

QUESTION MODULES

The Detailed and Standard question modules presented in Chapter 2 can be used to collect data on Sources of Cash Income. The Abbreviated module and Single question module are not suitable for the collection of accurate data on Sources of Cash Income. The questions relevant to collecting Sources of Cash Income data are:

- questions 2, 4, 6, 8, 12, 18, 24, 31, 34, 37, and 40 of the Detailed module; and
- questions 1, 3, 7 and 8 of the Standard module.

OUTPUT CATEGORIES

On unit record files, the output categories for source of income are the same as the classification.

For publications, these categories should be grouped in the following way:

Primary Cash Income

Employee Cash Income (wages and salaries)

Entrepreneurial Cash Income (cash income from own unincorporated enterprise)

Property Cash Income

Transfer Cash Income

Social Security Cash Pensions, Benefits and Allowances

Other Pensions and Life Assurance Annuity Benefits

Other Current Transfers

However, the classification may be expanded, fully or in selected areas, depending on the focus of the output presented and consistent with an acceptable level of sampling error.

Classification continued **3 Transfer Cash Income**

- 31 Social Security Cash Pensions, Benefits and Allowances
 - 311 Pensions for Aged Persons
 - 3111 Age Pension (DSS)
 - 3112 Service Pension (DVA)
 - 3119 Pensions for Aged Persons, nec
 - 312 Allowances for the Unemployed
 - 3121 Newstart Allowance
 - 3122 Jobsearch Allowance
 - 3123 Mature Age Allowance
 - 3124 Youth Training Allowance
 - 3129 Allowances for the Unemployed, nec
 - 313 Pensions and Allowances for the Sick and Disabled
 - 3131 Sickness Allowance
 - 3132 Disability Support Pension (DSS)
 - 3133 Disability Pension (DVA)
 - 3139 Pensions and Allowances for the Sick and Disabled, nec
 - 314 Pensions for Lone Parents and Widowed Persons
 - 3141 Sole Parent Pension
 - 3142 Widow Allowance (DSS)
 - 3143 War Widow's Pension (DVA)
 - 3149 Pensions for Lone Parents and Widowed Persons, nec
 - 315 Family Payments
 - 3151 Family Payment
 - 3154 Child Disability Allowance
 - 3155 Parenting Allowance
 - 3159 Family Payments, nec
 - 316 Special Benefits
 - 3161 Special Benefit
 - 317 Benefits for Study Purposes
 - 3171 Austudy/Abstudy
 - 3179 Benefits for Study Purposes, nec
 - 319 Other Social Security Cash Pensions, Benefits and Allowances
 - 3191 Carer's Pension
 - 3192 Wife Pension
 - 3193 Partner Allowances
 - 3194 Overseas Pensions/Benefits
 - 3199 Other Pensions, Allowances and Benefits, nec
- 32 Other Pensions and Life Assurance Annuity Benefits
 - 321 Superannuation/Annuities
 - 3211 Superannuation/Annuities
- 33 Other Current Cash Transfers
 - 331 Current Cash Transfers from Private Organisations
 - 3311 Workers' Compensation/Accident/Sickness Insurance
 - 3312 Private Scholarship/Study Allowance
 - 3319 Current Cash Transfers from Private Organisations, nec
 - 332 Current Cash Transfers from Other Households
 - 3321 Child Support
 - 3322 Relatives
 - 3329 Current Cash Transfers from Other Households, nec
 - 339 Other Current Cash Transfers, nec
 - 3391 Other Current Cash Transfers, nec

Social security cash pensions, benefits and allowances *continued*

Traditionally, the levels of cash income from government pensions and allowances have varied little from week to week. It was therefore acceptable to collect the value of the last actual payment and convert to a weekly equivalent. Current arrangements, however, allow partial prepayment of some benefits for a three- to six-month period.

This variability reflects administrative arrangements rather than the financial resources available to the recipient. Some beneficiaries may opt to take, say, half of Newstart Allowance as a prepayment and the other half as a fortnightly receipt. Other beneficiaries may opt to receive the full amount on a fortnightly basis.

Definition Gross current usual (weekly equivalent) cash receipts from government pensions, benefits and allowances paid to persons, families or households under social security and related government programs.

Other Pensions and Life Assurance Annuity Benefits

Other Pensions and Life Assurance Annuity Benefits comprise all pensions and regular superannuation payments other than those made under government social security and related schemes including annuities from life insurance paid to survivors and pensions paid out of both funded and unfunded schemes.

Privately funded pension and life assurance annuity benefit funds are those where contributions are made to the insurance enterprise or fund by individuals or by employers on behalf of their employees.--

Unfunded pension and life assurance annuity funds are those where employers pay superannuation/insurance benefits to their employees, ex-employees or their dependants out of their own resources without creating a fund. These are usually government schemes such as that provided for federal public servants. These contributions accrue notionally (even though no actual payments are made until the employee retires) and the benefits are a running down of a (notional) asset. The benefits may be viewed as deferred income paid out by virtue of past employment (deferred employee income).

Other Current Cash Transfers

Other Current Cash Transfers comprise all cash transfers not included above. They include both compulsory transfers, such as some child maintenance payments, and non-compulsory transfers. Other Current Cash Transfers are classified according to whether the transfer is paid by a private organisation or by another household.

It should be noted that under the present system in Australia, child support/maintenance may be paid on a voluntary basis or via compulsory collection through the taxation system. It remains, however, a transfer from household to household even though the payment may be backed up by law and/or paid via the Australian Taxation Office or some other third party.

Current Cash Transfers from Private Organisations

The operational definition of Current Cash Transfers from Private Organisations is gross current regular receipts in the form of workers' compensation payments (other than those paid by the employer which are treated as Employee Cash Income), accident or sickness insurance payments, and private scholarships or study allowances. The category also includes regular receipts from trust funds.

Definition Gross current usual (weekly equivalent) wages or salary from an employer or own limited liability company.

Employee Cash Income comprises the cash component of the definition of earnings adopted by the Twelfth International Conference of Labour Statisticians in its 'Resolution concerning an integrated system of wages statistics' (Hussmans, Mehran & Verma 1990, p. 353).

Entrepreneurial Cash Income Respondents cannot provide accurate information on their Entrepreneurial Cash Income on a current basis. For this reason, data are collected in relation to the previous financial year as a proxy for the current year, and then pro-rated to represent a usual weekly equivalent cash income. Entrepreneurial Cash Income is reported in terms of profit or loss, after the deduction of operating expenses and depreciation as allowed by the Australian Taxation Office in deriving taxable income, but before tax is taken out.

Definition Profit or loss from own unincorporated enterprise in the previous financial year, expressed as a weekly equivalent.

PROPERTY CASH INCOME Property Cash Income is cash income deriving from the ownership of assets.

Notionally, Property Cash Income comprises net receipts accruing in the reference period as a result of ownership of assets. It comprises returns from financial assets (interest, dividends), from physical assets (rent) and from intellectual assets (royalties).

Cash income earned on equity in pensions/superannuation/life insurance is not available for use and the standard definition of Property Cash Income therefore excludes it.

The four categories of Property Cash Income are: Interest, Rent, Dividends and Other Property Cash Income.

Interest Interest comprises receipts from deposits including interest received from government bonds/loans and securities, debentures, trusts and interest received from personal loans to others outside the household.

Definition Gross receipts accrued in the previous financial year from deposits (including term deposits) with banks, building societies, credit unions, and other financial institutions, expressed as a weekly equivalent.

Rent Rent comprises net receipts from property other than owner-occupied dwellings including income from lodgers and from others who are subletting parts of an owner-occupied dwelling but excluding boarders, who are considered part of the household because they take meals with household members. Rent is net of operating expenses such as rates, repairs, maintenance and interest payments. It is also net of depreciation.

Definition Profit or loss from rental properties in the previous financial year, expressed as a weekly equivalent.

STANDARD CASH INCOME RANGES	Weekly	Annual equivalent
1	\$1-39	\$1-2,079
2	\$40-79	\$2,080-4,159
3	\$80-119	\$4,160-6,239
4	\$120-159	\$6,240-8,319
5	\$160-199	\$8,320-10,399
6	\$200-299	\$10,400-15,599
7	\$300-399	\$15,600-20,799
8	\$400-499	\$20,800-25,999
9	\$500-599	\$26,000-31,199
10	\$600-699	\$31,200-36,399
11	\$700-799	\$36,400-41,599
12	\$800-999	\$41,600-51,999
13	\$1,000-1,499	\$52,000-77,999
14	\$1,500 or more	\$78,000 or more
15	No income	No income
16	Negative income	Negative income

FACTORS AFFECTING THE DERIVATION AND UPDATING OF INCOME RANGES

Corresponding with the benefits of collecting cash income in dollar values, collection in ranges has a number of serious drawbacks:

- It is virtually impossible to establish ranges for any larger unit than the individual. Income units, families and households may be of a variety of sizes and compositions, each of which would require a separate set of ranges.
- Wherever a survey collects cash income from separate sources, as in the Detailed and Standard question modules, it becomes necessary to impute dollar values to each component before it is possible to calculate Total Cash Income.
- Similarly, imputation of a dollar value for each individual must occur before calculating income unit, family or household income.
- Inflation requires continuous updating of ranges entailing difficulty in comparison over time.

QUESTION MODULES

The Detailed, Standard, Abbreviated and Single question modules are presented in Chapter 2. The questions relevant to measuring Total Cash Income in household surveys are:

- questions 2, 5, 7, 9, 12, 15, 18, 21, 26, 29, 32, 35, 38 and 41 of the Detailed module;
- questions 2 and 4 of the Standard module;
- question 2 of the Abbreviated module; and
- question 1 of the Single question module.

COUNTING UNIT

With the exception of one-person income units, cash income of persons is an inadequate proxy measure of economic wellbeing. This is because there is usually some sharing of cash income within income units, families and households and the cash income of each member will affect the standard of living of the whole group to some extent. However, because the exact extent of income sharing is unknown and may vary considerably between units, analysts still use cash income of persons in conjunction with larger unit cash income to provide an indication of economic dependence/independence and contribution to Total Cash Income of different members.

In surveys that do not collect cash income data of all the members of an income unit aged 15 years or over, the individual cash income of the person(s) selected will not necessarily provide a reasonable indication of the economic wellbeing or socioeconomic status of the larger unit to which they belong and should not be used for this purpose.

INDIVIDUAL SOURCES OF CASH INCOME VERSUS TOTAL CASH INCOME FROM ALL SOURCES

Ideally, cash income should be collected as a separate value for each different source of cash income rather than a single value for Total Cash Income. This collection method is employed in the Detailed question module and is preferred for the following reasons:

- it enables detailed analysis of cash income level by Sources of Cash Income;
- separate values are necessary for the imputation of income tax payable and net cash income; and
- some of the components of cash income are operationally different, gross or net of expenses involved in earning the cash income, and relate to different reference periods. A more precise measure of Total Cash Income is achieved if each source is addressed separately rather than asking the respondent to recall and to sum all their sources of cash income in a single question.

However, it is not always feasible to collect cash income data at this level of detail and the standard incorporates a range of collection modules which produce measures of Total Cash Income which vary greatly in the level of detail, precision and analytical power.

DOLLAR AMOUNTS VERSUS RANGES

Cash income should be collected in dollar amounts and not as ranges, unless the survey methodology prevents this. If a respondent has difficulty giving a dollar amount, ABS practice is to prompt for a best estimate rather than offer the option of collecting cash income in ranges.

There are many reasons for collecting cash income in dollar values rather than ranges. Basically, collection in dollar values allows for a greater range of analytical options, flexibility, and better comparability than can be achieved from range data. Collection in dollar values enables:

- Greater precision in aggregating incomes of individuals to derive cash income of income units, families and households and in aggregating components of an individual's cash income. It also enables more accurate calculation of ratios such as amount of rent paid as a proportion of Total Cash Income.

Annual versus current cash
income *continued*

Mismatching between cash income collected for a particular reference period and current social and economic characteristics of households can occur for a number of reasons. For example, families may form or break up between the two periods. School leavers aged under 25 may become separate income units within the family. Spouses who separate may become lone persons or one-parent families.

Other mismatches occur between Labour Force Status and cash income, as in the case of retirees who are not in the labour force at the time of interview but who report high annual cash income for the reference period. The cash income of newly arrived immigrants is similarly affected. Such mismatches of cash income and characteristics will result in an incorrect estimation of persons, income units, families and households and their resources during the financial year.

Both weekly and fortnightly payments are common for wage and salary earners in Australia. Most government pensions and benefits are paid fortnightly. For most purposes, a weekly equivalent is preferred to annual cash income as it relates most closely to the characteristics of persons, income units, families and households at the time of the survey. As monthly payments are uncommon in Australia, the ABS prefers a weekly equivalent to the monthly equivalent the United Nations recommends (United Nations 1989, p. 200).

The advantage of current cash income is that it is more timely than annual cash income, and it generally relates directly to the demographic and social characteristics of the person, income unit, family or household at the time of interview.

A disadvantage of a current cash income measure is that for some sources, such as Entrepreneurial Cash Income and rent, it is not possible for respondents to report accurately on a current basis. Cash income from these sources may be received as infrequently as once a year (in the case of farmers, for example) and is net of operating expenses, which vary considerably and may not be known until taxation records are prepared in the following financial year.

Current usual versus current
actual cash income

The widespread use of Total Cash Income as a proxy measure of economic wellbeing requires a measure which is relatively stable and unaffected by very short-term fluctuations.

The disadvantage of the measure of *current actual cash income* is that, for some people, current actual cash income at the time of the data collection may not be a true reflection of the financial resources usually available to the person. For example, last week's pay could include an unusually high or low amount of overtime, holiday pay in advance or deduction for unpaid leave.

The problem of possible short-term fluctuations of current cash income can, to some extent, be overcome by the use of a *current usual* measure of cash income instead of *current actual* cash income at the time of interview. *Usual* refers to the average payment received over a period of three payments before the survey.

CHAPTER 3. STANDARD FOR THE VARIABLE TOTAL CASH INCOME

INTRODUCTION

Total Cash Income is the variable which is used to collect, classify and output data about cash income from all sources for households and household members. Total Cash Income includes regular receipts from employment, own business and from the lending of assets. It also includes cash transfer income from governments, private institutions and other households. Capital receipts and receipts derived from the running down of assets, or from the incurrence of a liability, are excluded. Also excluded are intra-household cash transfers.

DEFINITION

Gross current usual (weekly equivalent) cash receipts that are of a regular and recurring nature received by the household or its members at annual or more frequent intervals, from employment, own business, the lending of assets and transfers from government, private organisations and other households.

This definition shows that the concept relies on both the idea of cash income as a regular/recurring cash flow and on identifying the sources from which these flows may be derived.

Regular and recurring criterion

The regular/recurring criterion adopted in this definition serves as a practical rule of thumb rather than a strict distinguishing criterion. It is important to distinguish current receipts from one-off capital receipts, such as a lump sum superannuation payment or a large-lottery win, as it is the regular current receipts that, for most people, are the primary determinants of day-to-day economic wellbeing.

Irregular receipts

Irregular earnings from short episodes of casual employment are included as cash income, as would the lump sum advance of some government cash benefits paid partly as a lump sum and partly as reduced regular instalments.

Exceptions

To facilitate data collection and avoid double counting, the standard for Total Cash Income departs in certain respects from a conceptually pure interpretation of the above definition.

Superannuation

The concept of cash income excludes cash flows generated from the running down of assets, like the sale of property or withdrawals from accumulated cash reserves. An exception is the case of regular payments received from annuities, private pensions, trusts or superannuation schemes. Such receipts, while conceptually a drawing on assets, are included as cash income because, for many people, they are their only regular receipts, and their exclusion from cash income collections would severely affect analysis where cash income is used as a proxy measure for economic wellbeing.

Net expenses

Conceptually, cash income is net of costs incurred in deriving this cash income. However, for practical reasons, the deduction of these expenses is limited to situations where the expenses may safely be assumed to form a considerable part of the regular receipts. On these grounds, deductions are limited to operating expenses and depreciation of capital equipment in relation to cash income from unincorporated enterprises and rental properties owned by household members. Other expenses such as transport, dry cleaning, etc. incurred by employees are ignored.

ABBREVIATED QUESTION
MODULE *continued*

Q2 Before income tax is taken out, how much does usually receive from (this/these) source(s) in total?

Interviewer: If respondent unable to answer, prompt for their best estimate

- | | |
|------------------|--------|
| Amount (dollars) | □□□□□□ |
| Nil | □ 1 |
| Loss | □ 2 |
| Don't know | □ 3 |

Q3 What period does that cover?

- | | |
|--------------------------|-----|
| Week | □ 1 |
| Fortnight | □ 2 |
| Four weeks | □ 3 |
| Calendar Month | □ 4 |
| Year | □ 5 |
| Other (<i>Specify</i>) | □ 6 |

[End of module. Additional question (Q5) identifies Principal Source of Cash Income.]

Q4 Sequence Guide

- | | |
|--------------------------|-----------------------|
| <i>If '1' only in Q1</i> | --->No more questions |
| <i>If '3' only in Q1</i> | --->No more questions |
| <i>Otherwise</i> | --->Go to Q5 |

Q5 What is main source of income?

(Only one response allowed)

- | | |
|---|-----|
| Wages or salary (including from own incorporated business) | □ 1 |
| Profit or loss from own unincorporated business or share in a partnership | □ 2 |
| Profit or loss from rental property | □ 3 |
| Dividends or interest | □ 4 |
| Any Government pension or allowance | □ 5 |
| Child support or maintenance | □ 6 |
| Superannuation or annuity | □ 7 |
| Workers' Compensation | □ 8 |
| Other | □ 9 |

SINGLE QUESTION MODULE

The Single question module collects no information about Source of Cash Income and only a gross measure of Total Cash Income. It is only suitable for self-enumerated questionnaires.

Q7 *Interviewer: Show [colour] Prompt Card B*

Does currently receive any of these pensions, allowances or benefits?

(Only one response allowed)

- | | | |
|----------------------------------|--------------------------|----|
| Australian Age Pension | <input type="checkbox"/> | 1 |
| Newstart Allowance | <input type="checkbox"/> | 2 |
| Youth Training Allowance | <input type="checkbox"/> | 3 |
| Mature Age Allowance | <input type="checkbox"/> | 4 |
| Service Pension (DVA) | <input type="checkbox"/> | 5 |
| Disability Support Pension (DSS) | <input type="checkbox"/> | 6 |
| Sole Parent Pension | <input type="checkbox"/> | 7 |
| Wife Pension | <input type="checkbox"/> | 8 |
| Carer Pension | <input type="checkbox"/> | 9 |
| Sickness Allowance | <input type="checkbox"/> | 10 |
| Widow Allowance (DSS) | <input type="checkbox"/> | 11 |
| Special Benefit | <input type="checkbox"/> | 12 |
| Partner Allowance | <input type="checkbox"/> | 13 |
| No/None of these | <input type="checkbox"/> | 14 |

Q8 *Interviewer: Show [colour] Prompt Card C*

Does currently receive any of these pensions, allowances or other forms of assistance?

(Multiple responses allowed for this question)

- | | | |
|----------------------------|--------------------------|---|
| War Widow's Pension | <input type="checkbox"/> | 1 |
| Disability Pension (DVA) | <input type="checkbox"/> | 2 |
| Parenting Allowance | <input type="checkbox"/> | 3 |
| Austudy/Abstudy | <input type="checkbox"/> | 4 |
| Child Disability Allowance | <input type="checkbox"/> | 5 |
| Overseas Pensions/Benefits | <input type="checkbox"/> | 6 |
| Other (<i>Specify</i>) | <input type="checkbox"/> | 7 |
| No/None of these | <input type="checkbox"/> | 8 |

Q9 *Sequence Guide*

If more than one source of income

(Refer to Q1 & Q3)

Otherwise

--->Go to Q10

--->No more questions

STANDARD QUESTION
MODULE

This module comprises eight questions (excluding sequence guides) and has been developed for PI and ARA methodology in a face-to-face context. It is not suitable for use in a telephone interviewing context because of the use of prompt cards. It would not be practical to read out the large number of response categories for many of the questions over the telephone.

The first five questions identifying Total Cash Income are essential to the module. There is also provision for collecting details of government cash transfer payments using optional questions 7 and 8. Optional question 10 collects a gross measure of Principal Source of Cash Income.

Those contemplating using this module should be aware that the questions are subject to an ongoing testing and development program and that Government cash transfer payments (pensions, allowances, etc.) change frequently. It is advisable therefore to contact the ABS for information about the results of subsequent testing or changes to the module.

To obtain a copy of the most current version, please contact the Assistant Director, Social Classifications and Standards, Canberra (02) 6252 5736.

Words for interviewers to read out are in **bold type**. Instructions to interviewers appear in *italics*. Clarifying items for readers are in brackets. Prompt cards are typically colour coded. If following this convention, insert the appropriate colour in interviewers' instructions.

Q1 *Interviewer: Show [colour] Prompt Card E*

In the last financial year did receive income from any of these sources?

Interviewer: If 'yes', prompt for which ones

(Multiple responses allowed for this question)

- | | | |
|---|--------------------------|---|
| Profit or loss from own unincorporated business or share in a partnership | <input type="checkbox"/> | 1 |
| Profit or loss from rental property | <input type="checkbox"/> | 2 |
| Dividends or interest | <input type="checkbox"/> | 3 |
| No/None of the above | <input type="checkbox"/> | 4 |
- > Go to Q3

Q2 **Before income tax is taken out (but after business expenses have been deducted), how much did receive from (this/these) source(s) last financial year?**

Interviewer: If respondent unable to answer, prompt for their best estimate

- | | | | | | | |
|------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Profit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Loss | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Nil | <input type="checkbox"/> | | | | | 1 |
| Don't know | <input type="checkbox"/> | | | | | 2 |

Q34 *Interviewer: Show [colour] Prompt Card C*

Do you currently receive any of these pensions, allowances or benefits?

Interviewer: If 'yes', prompt for which ones

(Multiple responses allowed for this question)

- | | | |
|----------------------------|--------------------------|---|
| War Widow's Pension (DVA) | <input type="checkbox"/> | 1 |
| Disability Pension (DVA) | <input type="checkbox"/> | 2 |
| Parenting Allowance | <input type="checkbox"/> | 3 |
| Austudy/Abstudy | <input type="checkbox"/> | 4 |
| Child Disability Allowance | <input type="checkbox"/> | 5 |
| Overseas Pensions/Benefits | <input type="checkbox"/> | 6 |
| Other (<i>Specify</i>) | <input type="checkbox"/> | 7 |
| No/None of these | <input type="checkbox"/> | 8 |
- >Go to Q37

Q35 **How much was the last payment you received from** (*Specify each pension/allowance marked in Q34*)?

- | | |
|----------------------------|---|
| War Widow's Pension | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Disability Pension | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Parenting Allowance | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Austudy/Abstudy | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Child Disability Allowance | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Overseas Pensions/Benefits | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Other | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |

Q36 **What period did that** (*Specify each pension/allowance marked in Q34*) **cover?**

- | | | |
|-------------------------------------|---|---|
| War Widow's Pension
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 1 |
| Disability Pension
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 2 |
| Parenting Allowance
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 3 |
| Austudy/Abstudy
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 4 |
| Child Disability Allowance
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 5 |
| Overseas Pensions/Benefits
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 6 |
| Other
Weeks | <input type="checkbox"/> <input type="checkbox"/> | 7 |

Q17 *Sequence Guide:*

If wage or salary earner --->Go to Q18

If no children aged 18 or under --->Go to Q31

Otherwise --->Go to Q24

Q18 I would now like to ask about your pay from your main and current job. What was the total amount of your most recent pay before income tax or anything else was taken out?

Gross pay (dollars)

Q19 What period did that pay cover?

- Week 1
- Fortnight 2
- Four weeks 3
- Calendar month 4
- Year 5
- Other (*Specify*) 6

Q20 Was this your usual pay?

- Yes ---->Go to Q23 1
- No 2

Q21 How much do you usually receive each pay?

Gross pay (dollars)

Q22 What period does that pay cover?

- Week 1
- Fortnight 2
- Four weeks 3
- Calendar month 4
- Year 5
- Other (*Specify*) 6

Q23 *Sequence Guide:*

If no children aged 18 or under --->Go to Q31

Otherwise --->Go to Q24

Q24 Are you (or your spouse/partner) receiving the Government Family Payment?

- Yes 1
- No --->Go to Q31 2

Q25 How many children do you currently receive this payment for?

Number of children

Q26 How much was the most recent payment you received?

Amount (dollars)

Q3 How many weeks did that income cover?

Weeks

Q4 In the last financial year, did you receive any interest from:

(Multiple responses allowed for this question)

- Banks?** 1
- Building Societies?** 2
- Credit Unions?** 3
- None of these ---->Go to Q6 4

Q5 What was the total amount of interest you received from (that/those) source(s) including only your share of the interest from joint accounts?

Amount (dollars)

Q6 *Interviewer:* Show [colour] Prompt Card A

In the last financial year, did you receive income from any of these sources?

Interviewer: If 'yes', prompt for which ones

(Multiple responses allowed for this question)

- Dividends on shares 1
- Royalties 2
- Interest from bonds 3
- Interest from trusts 4
- Interest from debentures 5
- Interest from personal loans to persons not in this household 6
- Other investments? (*Specify*) 7
- No/None of these? ---->Go to Q8 8

Q7 What was the amount of income received from (*Specify each source in Q6*), including only your share of income from any joint investments?

(Multiple responses allowed for this question)

- Dividends on shares 1
- Royalties 2
- Interest from bonds 3
- Interest from trusts 4
- Interest from debentures 5
- Interest from personal loans to persons not in this household 6
- Other investments 7

METHODOLOGY *continued*

The module chosen is dependent on how the income data will be used, the collection methodology, and competing claims for time and space on the survey. As far as possible, conceptual and operational consistency is maintained across all of the modules in order to maximise comparability. Inevitably, however, data collected using different question modules will have some limitations in terms of comparability due to differences in the degree of precision and the level of detail available. Typically, the effect of using less detailed modules is an underestimation of income because certain categories tend to be unreported.

Personal interview The PI methodology enables collection of very complex and detailed information, offering great scope and flexibility in manipulating, compiling and analysing the survey data. It is also the most costly and time consuming method and may involve several call-backs to interview all household members. Most of the Special Supplementary Surveys conducted by the ABS use PI.

Any responsible adult The ARA methodology is used when time and cost constraints prevent the use of personal interview. The Monthly Population Survey, which administers the Labour Force Survey and one or more Supplementary Surveys to 35,000 households each month, uses the ARA methodology. A limitation of this methodology for collecting cash income data is that the respondent may not be able to report accurately on the income of other household members. Cash income data collected by this method is therefore less precise, less detailed and supports fewer analytical applications than that generally collected using PI methodology.

Self-enumeration Self-enumerated questionnaires such as those used in the Census of Population and Housing must be simple and self-explanatory. The complex sequencing and detailed questions often used in interviewer-administered questionnaires are not feasible in self-enumerated collections. The data quality is dependent on the respondent reading and understanding all of the instructions without the prompts and assistance that an interviewer can provide. Consequently, income data collected by this method, often using only one question, is even less precise and more prone to underestimation than that using ARA methodology. It is, however, the least expensive method of data collection.

**DETAILED QUESTION
MODULE**

The Detailed question module comprises 38 questions (excluding sequence guides) designed for PI methodology. It leads the respondent through a series of questions about their sources of cash income and collects the actual dollar amounts received from each source. Principal Source of Cash Income can be derived during processing. Due to the level of detail and precision required in this module, it is only suitable for surveys using PI methodology. The Detailed question module is not suitable for use in surveys conducted by telephone because it relies on the use of prompt cards.

Single question module Comprising one question only, this module provides only a very broad measure of Total Cash Income and no information on Sources of Cash Income. It is designed for use in self-enumerated questionnaires where simplicity and brevity are very important, and analysis requires only a very broad measure of cash income. Amount of cash income is collected as dollar values where possible but may be collected in standard cash income ranges if necessary, where, for example, there are concerns about sensitivity issues associated with the provision of a dollar amount.

COMPARABILITY ACROSS
COLLECTIONS

The exclusion of people living in institutions from some household surveys affects the comparability of these collections with the national accounting estimate of household income and with Department of Social Security estimates of the numbers and value of payments to pensioners, beneficiaries and allowees.

OVERVIEW OF ABS
STATISTICS ON HOUSEHOLD
ECONOMIC WELLBEING
continued

However, many other flows of resources that have a significant effect on the economic wellbeing of the population have not been measured in ABS collections. These relate to income in kind from employers, indirect government benefits, capital transfers from private enterprises, gifts and services provided by friends and relatives, and benefits accruing to the household from home ownership, ownership of other consumer durables and unpaid household work.

The value of the stock of household assets and liabilities is also of great importance in considering the household's economic wellbeing. Respondent sensitivity and practical collection difficulties, however, have prevented the ABS from collecting data on wealth distribution.

In recent years the ABS has undertaken two major initiatives towards improving and expanding the range of data available on economic wellbeing:

- the development of standards for the collection, processing and dissemination of household cash income data, which are presented in this paper and form part of an ongoing project to develop standards for all core data items in ABS household collections; and
- the development and publication of a conceptual framework which describes the contents, boundaries and conceptual links between household cash income, consumption, saving and wealth (*A Provisional Framework for Household Income, Consumption, Saving and Wealth* (Cat. no. 6549.0)). This will assist in the future improvement of ABS data, such as the collection or imputation of data on non-cash resources of households.

ABS FRAMEWORK FOR
HOUSEHOLD INCOME,
CONSUMPTION, SAVING AND
WEALTH

The standards for cash income presented are based on the cash income component of the ABS *Provisional Framework for Household Income, Consumption, Saving and Wealth* (Cat. no. 6549.0). An overview of the framework is given here as background to the cash income variables and to put the cash income concept into the broader context of total household economic resources.

The framework identifies all of the factors, including cash income, that contribute to the economic wellbeing of households (and their individual members) and describes the contents, scope and boundaries of each factor (or component) and the conceptual links between them.

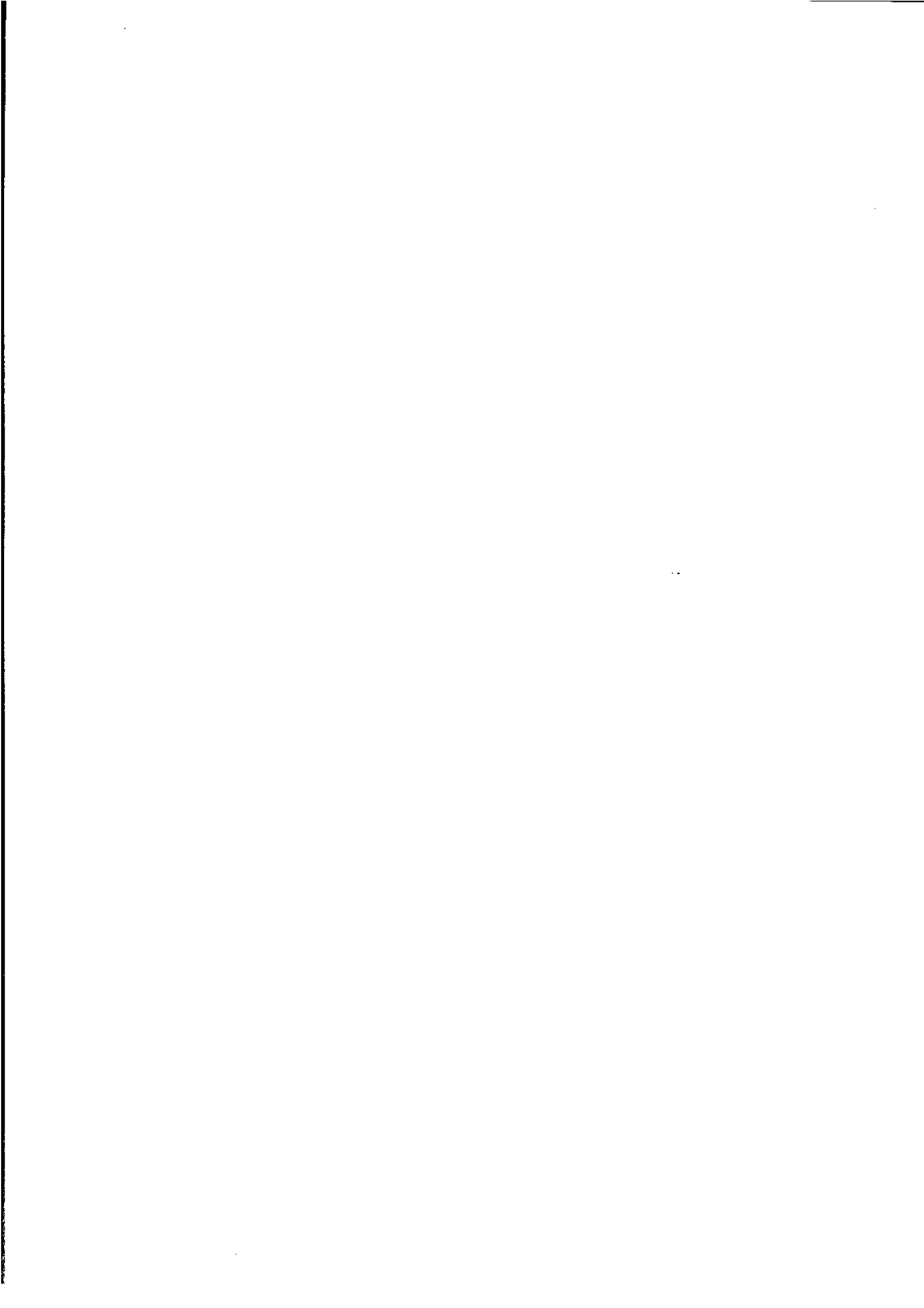
Receipts and disbursements

The framework describes flows into (receipts) and out of (disbursements) the household. Receipts may be regular, such as wages and salaries or interest earned from assets, or irregular, such as an inheritance or a lump sum superannuation payment; in cash or in kind, such as the use of a car provided by an employer or services provided within the home through unpaid household work.

Disbursements may be equally diverse and include expenditure on consumer goods such as food and clothing, services such as child care, and consumer durables such as a car. Disbursements also include savings such as cash deposited in the bank, gifts of cash or goods to charities and other households, and taxes to government.

LIST OF ABBREVIATIONS

ABS	Australian Bureau of Statistics
ARA	any responsible adult
DEETYA	Department of Employment, Education, Training and Youth Affairs
DHFS	Department of Health and Family Services
DSS	Department of Social Security
DVA	Department of Veterans' Affairs
HES	Household Expenditure Survey
HIES	Household Income and Expenditure Section
nec	not elsewhere classified
OMR	optical mark recognition
PI	personal interview
SIHC	Survey of Income and Housing Costs



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