

## 2.08 Income (household, individual, sources and income poverty)

*Equivalised gross household and individual income of Aboriginal and Torres Strait Islander people*

### Data sources

Data for this measure come from the 2004–05 National Aboriginal and Torres Strait Islander Health Survey (NATSIHS) 2002 and the National Aboriginal and Torres Strait Islander Social Survey (NATSISS).

#### National Aboriginal and Torres Strait Islander Health Survey (NATSIHS)

The 2004–05 NATSIHS collected information from 10,439 Indigenous Australians of all ages. This sample was considerably larger than the supplementary Indigenous samples in the 1995 and 2001 National Health Surveys. The survey was conducted in remote and non-remote areas of Australia and collected a range of information from Indigenous Australians about health-related issues including health-related actions, health risk factors, health status, socioeconomic circumstances and women's health. It is planned to repeat the NATSIHS at six-yearly intervals, with the next NATSIHS to be conducted in 2010–11. Selected non-Indigenous comparisons are available through the 2004–05 National Health Survey (NHS).

#### National Aboriginal and Torres Strait Islander Social Survey (NATSISS)

The 2002 NATSISS collected information from 9,400 Indigenous Australians across all states and territories of Australia. The sample covered persons aged 15 years or over who were usual residents of private dwellings. It collected information on a wide range of subjects including family and culture, health, education, employment, income, financial stress, housing, as well as law and justice. The 2002 NATSISS is the second national social survey of Indigenous Australians conducted by the ABS. Selected non-Indigenous comparisons are available through the 2002 General Social Survey (GSS). The ABS plans to conduct the NATSISS every 6 years. The next survey is planned for 2008.

#### Equivalised income

Equivalence scales are used to adjust the actual incomes of households in a way that enables the analysis of the relative economic wellbeing of people living in households of different size and composition. When household income is adjusted according to an equivalence scale, the equivalised income can be viewed as an indicator of the economic resources available to each individual in a household. For a lone-person household, it is equal to income received.

In this measure, a 'modified OECD' equivalence scale has been used, the scale widely accepted among Australian analysts of income distribution. This scale allocates 1.0 point for the first adult (aged 15 years or over) in a household; 0.5 for each additional adult; and 0.3 for each child. Equivalised household income is derived by dividing total household income by the sum of the equivalence points allocated to household members.

Equivalised gross household income quintiles are groupings of 20% of the total population of Australia when ranked in ascending order according to equivalised gross household income.

The population used for this purpose includes all people living in private dwellings, including children and other persons under the age of 15 years.

## Data analyses

### Household income

#### Mean equivalised household income

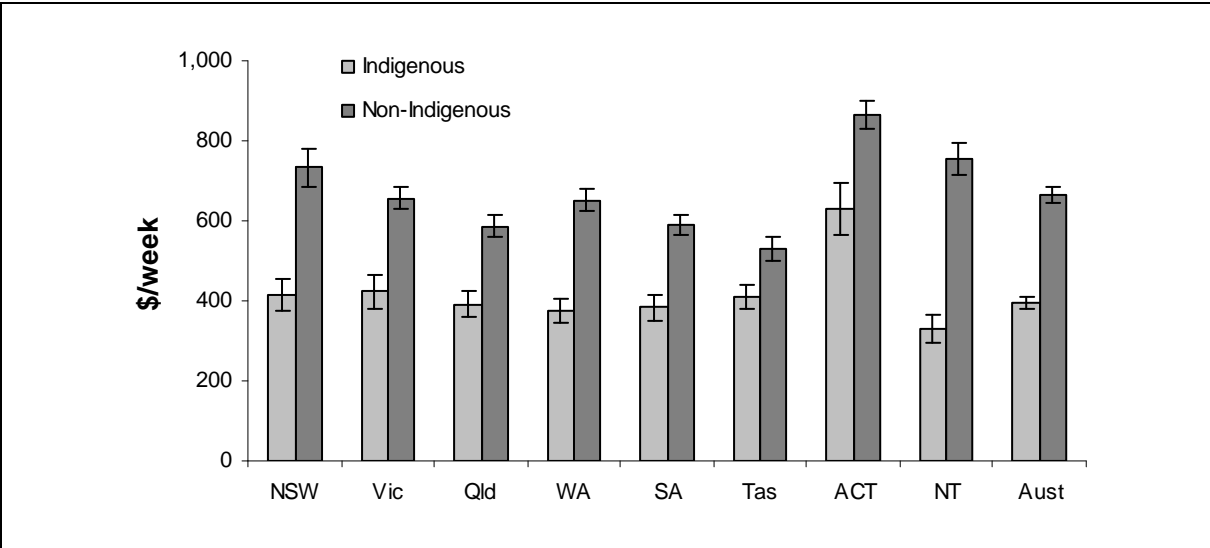
Data on the mean equivalised household income of Indigenous and non-Indigenous persons are available from the 2002 NATSISS and 2002 General Social Survey.

- The 2002 NATSISS estimated that the mean equivalised gross household income was \$394 per week for Indigenous persons aged 18 years and over compared to \$665 per week for non-Indigenous persons (Table 2.08.1).
- The mean equivalised gross household income for Indigenous persons varied by state and territory, ranging from \$329 in the Northern Territory to \$631 in the Australian Capital Territory (Figure 2.08.1).
- There has been little change in the mean equivalised gross household income for Indigenous persons between 1994 and 2002. Nationally the mean equivalised gross household income was \$374 in 1994, increasing to \$394 in 2002, however, this difference was not statistically significant (Figure 2.08.2).
- There was little difference in the mean quivalised gross household income of Indigenous Australians by remoteness (Figure 2.08.3).

**Table 2.08.1: Mean equivalised gross household income (\$ per week), by Indigenous status and state/territory, persons aged 18 years and over, 2002**

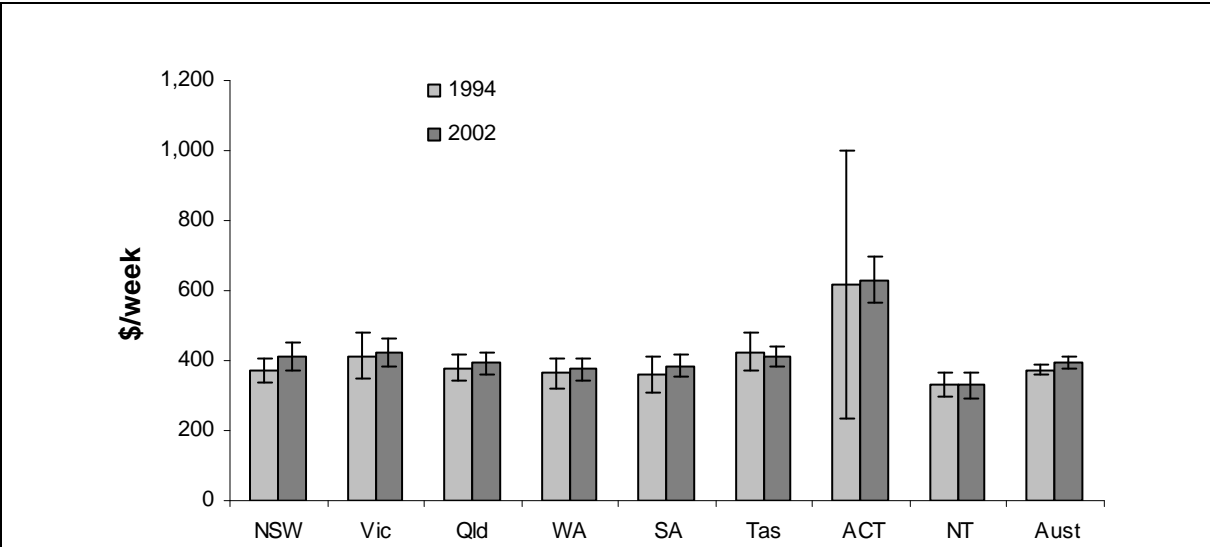
State/territory	Indigenous	Non-Indigenous
	\$	\$
New South Wales	414	733
Victoria	423	657
Queensland	392	587
Western Australia	376	652
South Australia	384	590
Tasmania	411	531
Australian Capital Territory	631	865
Northern Territory	329	755
<b>Australia</b>	<b>394</b>	<b>665</b>

Source: SCRGPSP 2005: 2002 NATSISS and 2002 General Social Survey data.



Source: SCRGSP 2005: 2002 NATSISS and 2002 GSS data.

**Figure 2.08.1: Mean gross weekly equivalised household income, by Indigenous status and state/territory, persons aged 18 years and over, 2002**

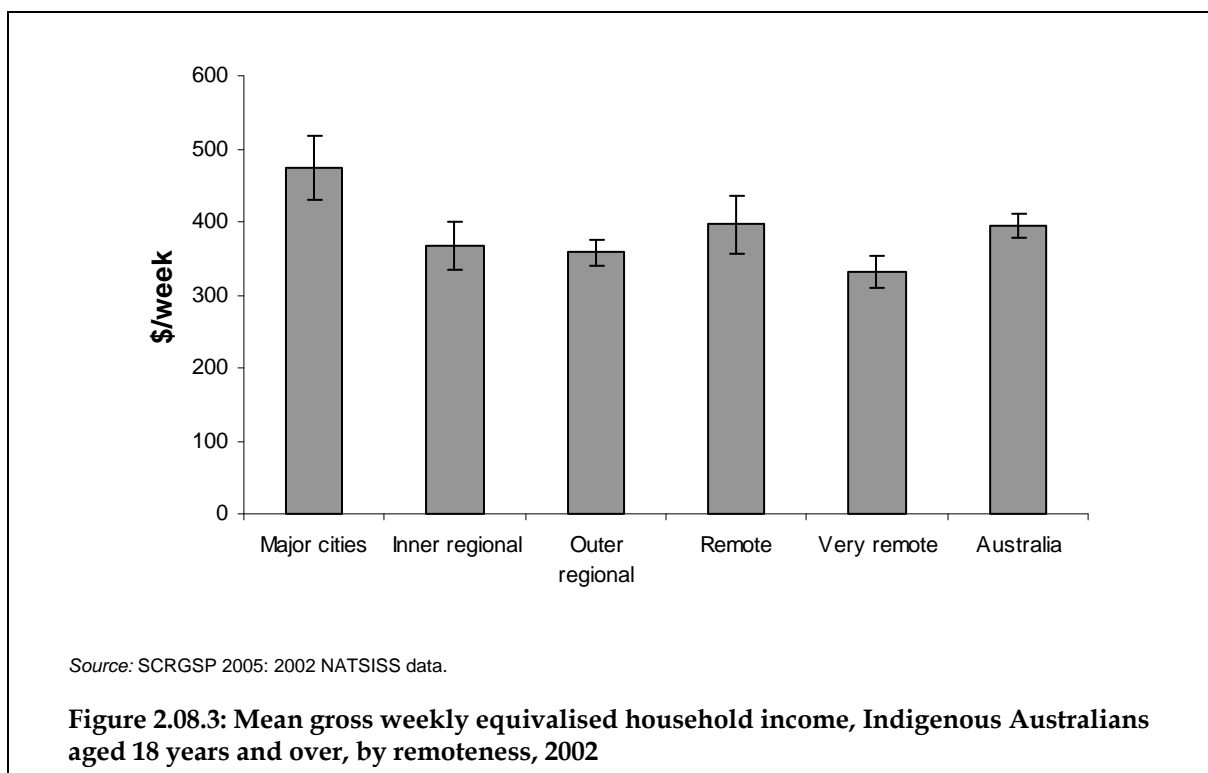


*Notes*

1. Adjusted for inflation using the Consumer Price Index for the June quarter 1994 and the December quarter 2002.
2. The ACT estimate for 1994 has a relative standard error greater than 25% and should be used with caution.

Source: SCRGSP 2005: 2002 NATSISS and 1994 NATSIS data.

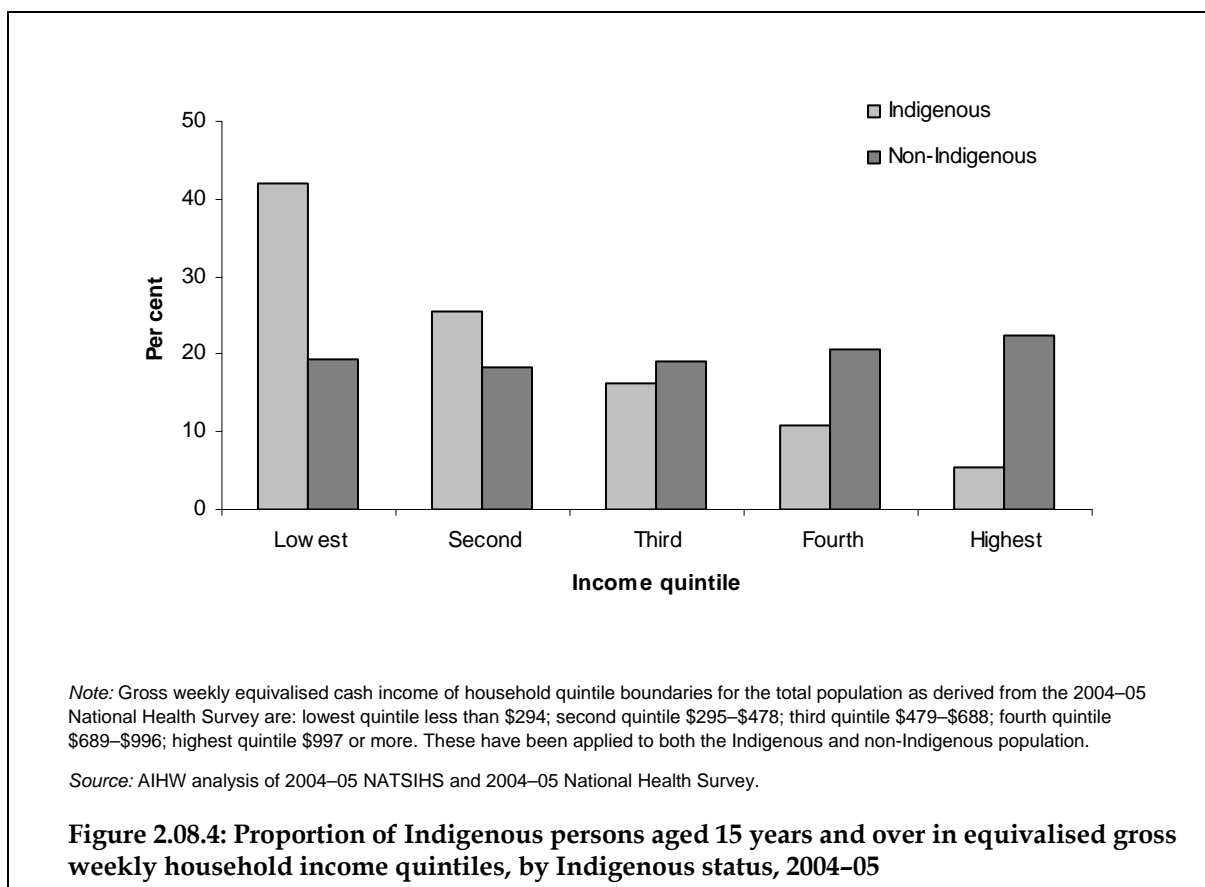
**Figure 2.08.2: Mean gross weekly equivalised household income, Indigenous Australians aged 18 years and over, by state/territory, 1994 and 2002**



### Equivalised household income quintiles/percentiles

Data presented below on equivalised household income quintiles and percentiles come from the 2004–05 NATSIHS.

- In 2004–05, of those who stated their household income, approximately 42% of Indigenous Australians aged 15 years and over were in the lowest quintile of equivalised gross weekly household income compared to 21% of non-Indigenous Australians. Only 6% of Indigenous Australians were in the highest quintile of equivalised gross weekly household income compared to 22% of non-Indigenous Australians (Table 2.08.2; Figure 2.08.4).
- Indigenous Australians were much more likely than non-Indigenous Australians to be in the lowest quintile of equivalised gross weekly household income (42% compared to 19%) and much less likely to be in the highest quintile (6% compared to 22%) (Figure 2.08.3).
- Approximately 35% of Indigenous Australians aged 15 years and over were below the 20th percentile of household income and 64% were below the 50th percentile of household income (Table 2.08.3).



### Equivalised household income quintiles/percentiles by state/territory and remoteness

- The Northern Territory had the highest proportion of Indigenous Australians in the lowest quintile of equivalised gross weekly household income (57%) and Tasmania and the Australian Capital Territory had the highest proportion of Indigenous Australians in the highest income quintile (8%).
- In 2004–05, approximately 36% of Indigenous Australians aged 15 years and over living in major cities were in the lowest quintile of equivalised gross weekly household income compared to 49% of Indigenous Australians in remote or very remote areas. Around 13% and 7% of Indigenous Australians in major cities were in the fourth or highest quintile of income compared to 6% and 4% of Indigenous Australians in remote/very remote areas (Table 2.08.4).

**Table 2.08.2: Number and proportion of persons aged 15 years and over in each equivalised gross weekly household income quintile,<sup>(a)</sup> by Indigenous status and state/territory, 2004–05**

	Income quintile	Indigenous		Non-Indigenous	
		Number	Proportion (%)	Number	Proportion (%)
<b>NSW</b>	1st	28,523	39.6	847,839	19.5
	2nd	16,956	23.5	763,152	17.5
	3rd	12,425	17.2	767,401	17.6
	4th	9,507	13.2	884,691	20.3
	5th	4,658	6.5	1,085,435	25.0
	Total stated <sup>(b)</sup>	72,068	100.0	4,348,518	100.0
	Not known/not stated	12,500	17.3	869,513	20.0
	<b>Total<sup>(c)</sup></b>	<b>84,568</b>	<b>100.0</b>	<b>5,218,031</b>	<b>100.0</b>
<b>Vic</b>	1st	6,252	40.2	645,370	20.5
	2nd	3,380	21.7	582,718	18.5
	3rd	3,355	21.6	628,366	20.0
	4th	1,559	10.0	628,289	20.0
	5th	1,019	6.5	660,939	21.0
	Total stated <sup>(b)</sup>	15,565	100.0	3,145,683	100.0
	Not known/not stated	2,957	19.0	803,475	25.5
	<b>Total<sup>(c)</sup></b>	<b>18,522</b>	<b>100.0</b>	<b>3,949,158</b>	<b>100.0</b>
<b>Qld</b>	1st	25,114	36.7	477,089	19.2
	2nd	18,531	27.1	479,335	19.3
	3rd	13,438	19.7	503,228	20.2
	4th	7,233	10.6	525,798	21.1
	5th	4,045	5.9	504,226	20.3
	Total stated <sup>(b)</sup>	68,362	100.0	2,489,677	100.0
	Not known/not stated	10,860	15.9	456,147	18.3
	<b>Total<sup>(c)</sup></b>	<b>79,222</b>	<b>100.0</b>	<b>2,945,824</b>	<b>100.0</b>
<b>WA</b>	1st	17,326	47.8	224,912	18.0
	2nd	9,995	27.6	239,672	19.2
	3rd	4,649	12.8	246,339	19.8
	4th	2,984	8.2	270,729	21.7
	5th	1,319	3.6	265,314	21.3
	Total stated <sup>(b)</sup>	36,273	100.0	1,246,966	100.0
	Not known/not stated	6,522	18.0	249,959	20.0
	<b>Total<sup>(c)</sup></b>	<b>42,795</b>	<b>100.0</b>	<b>1,496,925</b>	<b>100.0</b>

(continued)

**Table 2.08.2 (continued): Number and proportion of persons aged 15 years and over in each equivalised gross weekly household income quintile,<sup>(a)</sup> by Indigenous status and state/territory, 2004–05**

		Indigenous		Non-Indigenous	
		Number	Proportion (%)	Number	Proportion (%)
<b>SA</b>	1st	5,978	46.0	203,637	20.7
	2nd	2,972	22.9	195,514	19.9
	3rd	1,509	11.6	190,926	19.4
	4th	1,695	13.0	203,545	20.7
	5th	847	6.5	189,083	19.2
	Total stated <sup>(b)</sup>	13,000	100.0	982,706	100.0
	Not known/not stated	3,582	27.6	222,656	22.7
	<b>Total<sup>(c)</sup></b>	<b>16,582</b>	<b>100.0</b>	<b>1,205,362</b>	<b>100.0</b>
<b>Tas/ACT</b>	1st	4,466	34.7	93,430	16.6
	2nd	3,675	28.5	102,272	18.2
	3rd	2,354	18.3	103,332	18.4
	4th	1,416	11.0	118,309	21.1
	5th	962	7.5	144,601	25.7
	Total stated <sup>(b)</sup>	12,873	100.0	561,944	100.0
	Not known/not stated	982	7.6	57,541	10.2
	<b>Total<sup>(c)</sup></b>	<b>13,856</b>	<b>100.0</b>	<b>619,484</b>	<b>100.0</b>
<b>NT<sup>(d)</sup></b>	1st	16,422	56.7	6,488	n.p.
	2nd	7,660	26.5	7,507	n.p.
	3rd	2,217	7.7	26,260	n.p.
	4th	1,999	6.9	22,234	n.p.
	5th	640	2.2	22,545	n.p.
	Total stated <sup>(b)</sup>	28,937	100.0	85,034	n.p.
	Not known/not stated	8,749	30.2	12,558	n.p.
	<b>Total<sup>(c)</sup></b>	<b>37,686</b>	<b>100.0</b>	<b>97,592</b>	<b>100.0</b>
<b>Australia</b>	1st	104,081	42.1	2,498,767	19.4
	2nd	63,169	25.6	2,370,171	18.4
	3rd	39,947	16.2	2,465,851	19.2
	4th	26,393	10.7	2,653,594	20.6
	5th	13,489	5.5	2,872,144	22.3
	Total stated <sup>(b)</sup>	247,079	100.0	12,860,527	100.0
	Not known/not stated	46,152	18.7	2,671,849	20.8
	<b>Total<sup>(c)</sup></b>	<b>293,231</b>	<b>100.0</b>	<b>15,532,377</b>	<b>100.0</b>

(continued)

**Table 2.08.2 (continued): Number and proportion of persons aged 15 years and over in each equivalised gross weekly household income quintile,<sup>(a)</sup> by Indigenous status and state/territory, 2004–05**

n.p. Not available for publication.

- (a) Gross weekly equivalised cash income of household quintile boundaries for the total population as derived from the 2004–05 National Health Survey are: lowest quintile less than \$294; second quintile \$295–\$478; third quintile \$479–\$688; fourth quintile \$689–\$996; highest quintile \$997 or more. These have been applied to both the Indigenous and non-Indigenous population.
- (b) Total with household income stated shown as a proportion of the total.
- (c) Excluding cases where the classification of income category is not applicable.
- (d) Sample does not support non-Indigenous estimates for the Northern Territory.

Source: AIHW analysis of 2004–05 NATSIHS and 2004–05 National Health Survey.

**Table 2.08.3: Proportion of Indigenous persons aged 15 years and over who were below the 20th and 50th percentiles of equivalised gross weekly household income quintiles, 2004–05**

	Below 20th percentile	Below 50th percentile
New South Wales	34	60
Victoria	34	65
Queensland	32	65
Western Australia	40	70
South Australia	36	57
Tasmania/Australian Capital Territory	32	69
Northern Territory	44	68
<b>Australia</b>	<b>35</b>	<b>64</b>

*Notes*

1. Equivalised gross weekly household income is not available from the 2001 and 1995 National Health Surveys (Indigenous supplement).
2. Excludes those for whom income was unknown or not stated.

Source: AIHW analysis of 2004–05 NATSIHS

**Table 2.08.4: Proportion of persons aged 15 years and over in each gross weekly household income quintile, by Indigenous status and remoteness, 2004–05**

	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Total stated <sup>(b)</sup>	Not stated <sup>(c)</sup>	Total number
<b>Indigenous</b>								
Major cities	35.9	23.4	21.0	13.0	6.7	100.0	15.6	89,030
Inner regional	41.6	24.3	16.4	10.0	7.8	100.0	11.9	58,355
Outer regional	43.1	23.1	16.5	13.6	3.8	100.0	15.2	65,677
Remote or very remote	49.0	31.2	10.1	6.1	3.6	100.0	19.1	80,169
<b>Total</b>	<b>42.1</b>	<b>25.6</b>	<b>16.2</b>	<b>10.7</b>	<b>5.5</b>	<b>100.0</b>	<b>15.7</b>	<b>293,231</b>
<b>Non-Indigenous</b>								
Major cities	17.7	16.7	18.3	21.7	25.5	100.0	19.0	10,615,977
Inner regional	21.4	22.6	21.9	18.5	15.6	100.0	14.1	3,090,996
Outer regional	25.6	21.6	19.6	17.6	15.6	100.0	11.5	1,637,784
Remote or very remote <sup>(d)</sup>	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	14.9	187,620
<b>Total</b>	<b>19.4</b>	<b>18.4</b>	<b>19.2</b>	<b>20.6</b>	<b>22.3</b>	<b>100.0</b>	<b>17.2</b>	<b>15,532,377</b>

n.p. Not available for publication.

(a) Gross weekly equivalised cash income of household quintile boundaries for the total population as derived from the 2004–05 National Health Survey are: lowest quintile less than \$294; second quintile \$295–\$478; third quintile \$479–\$688; fourth quintile \$689–\$996; highest quintile \$997 or more. These have been applied to both the Indigenous and non-Indigenous population.

(b) Comprises persons living in households where household income was stated. Note that equivalised gross weekly household income quintiles are calculated as a proportion of households with stated household income.

(c) Total with household income stated shown as a proportion of the total.

(d) Data for very remote areas of Australia were not collected in the 2004–05 National Health Survey.

Source: AIHW analysis of 2004–05 NATSIHS and 2004–05 National Health Survey.

### Equivalised household income by summary health and population characteristics

- Indigenous Australians with fair/poor health status were more likely to be in the lowest quintile of household income than those with excellent/very good health status. Indigenous Australians whose highest year of schooling completed was Year 12 or who had a non-school qualification were more likely to be in the fourth or fifth quintiles of household income than those who completed Year 9 or below as their highest year of schooling or did not have a non-school qualification. Indigenous Australians who were employed or homeowners were also more likely to be in the fourth or fifth quintiles of household income than those who were unemployed or renters (Table 2.08.5).

**Table 2.08.5: Equivalised gross weekly household income quintiles, by selected population characteristics, Indigenous persons aged 15 years and older, 2004–05**

	Income quintiles						Total
	Lowest	Second	Third	Fourth	Fifth	Fourth and fifth	
<b>Self-assessed health status</b>							
Excellent/very good	30	21	16	11	5	17	100
Good	36	22	14	9	5	13	100
Fair/poor	45	21	9	5	3	8	100
<b>Financial stress</b>							
Unable to raise \$2,000 within a week for something important	20	19	20	16	9	25	100
<b>Location</b>							
Remote	40	25	8	5	3	8	100
Non-remote	34	20	16	11	5	16	100
<b>Highest year of school completed</b>							
Year 12	17	21	21	16	10	26	100
Year 11	32	24	15	10	5	15	100
Year 10	35	23	14	8	4	12	100
Year 9 or below	48	19	8	5	2	7	100
<b>Whether has non-school qualification</b>							
Has a non-school qualification	24	20	18	14	8	22	100
Does not have a non-school qualification	41	22	12	7	3	10	100
<b>Employment</b>							
Employed	15	24	22	16	9	24	100
Unemployed	53	20	7	1	1	1	100
Not in the labour force	56	20	5	3	1	4	100
<b>Total</b>	<b>35</b>	<b>22</b>	<b>14</b>	<b>9</b>	<b>5</b>	<b>14</b>	<b>100</b>
<b>Housing</b>							
Owner	14	18	22	18	11	29	100
Renter	44	23	11	6	2	8	100
<b>Stressors in last 12 months<sup>(a)</sup></b>							
Serious illness or disability	33	21	13	11	7	18	100
Other stressors	37	23	13	7	4	11	100
Total experienced stressors	36	22	13	8	5	14	100
No stressors	31	20	17	11	5	16	100
<b>Total</b>	<b>35</b>	<b>22</b>	<b>14</b>	<b>9</b>	<b>5</b>	<b>14</b>	<b>100</b>
Total number aged 15+ yrs	104,081	63,169	39,947	26,393	13,489	39,882	293,231

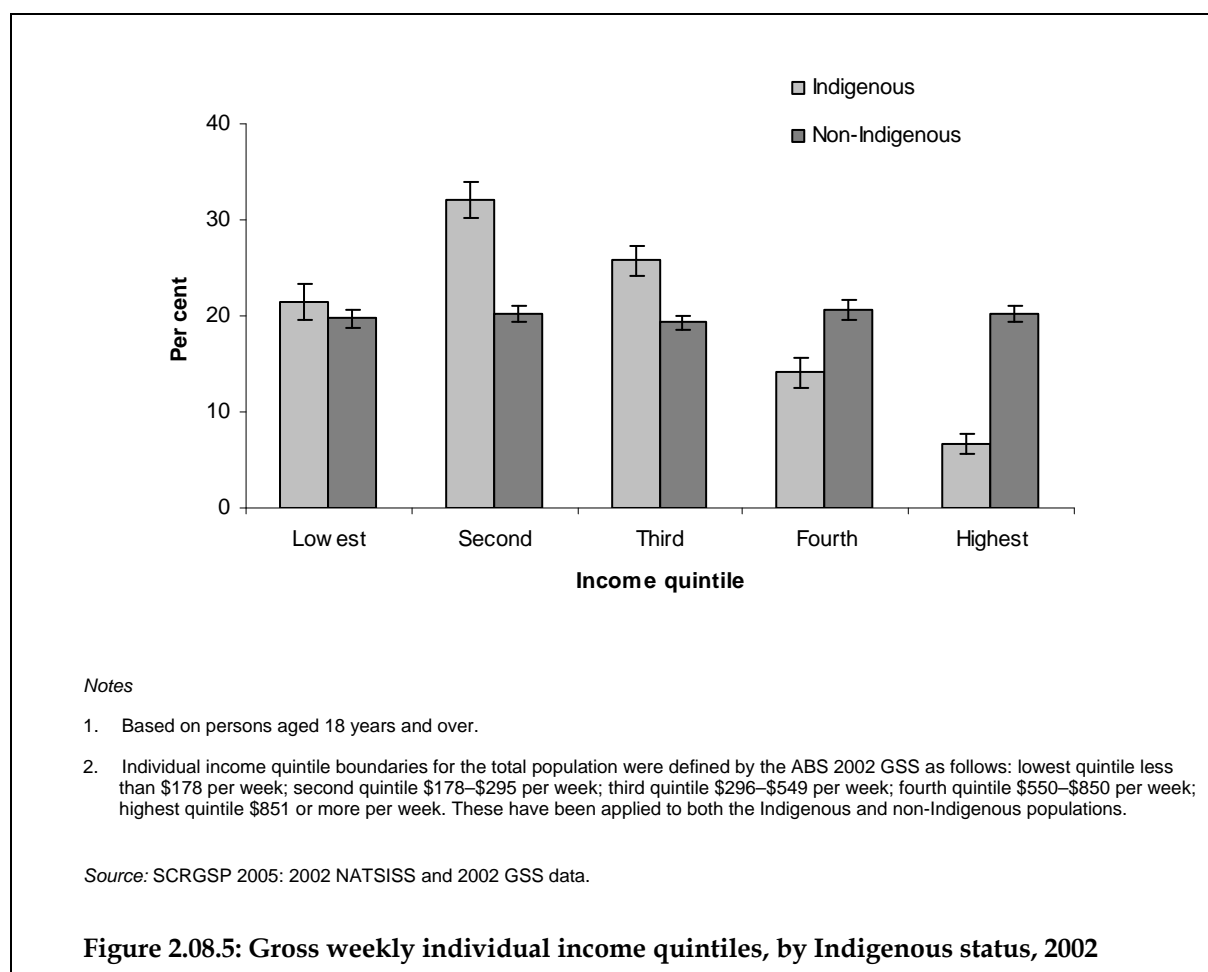
(a) Persons aged 18 years and over.

Source: AIHW analysis of 2004–05 NATSIHS.

## Individual income

As with the gross weekly equivalised household income, the individual income quintile boundaries are based on the total population as derived from the 2002 General Social Survey and have been applied to both the Indigenous and non-Indigenous populations.

- In 2002, Indigenous people aged 18 years and over were more likely to be in the three lowest individual income quintiles, although the difference between Indigenous and non-Indigenous people for the lowest quintile was not statistically significant. Only 7% of Indigenous Australians aged 18 years and over were in the highest individual income quintile compare to 20% of non-Indigenous Australians (Figure 2.08.5).



## Additional information

### Financial stress

The 2002 NATSISS also collected information on financial stress within Indigenous households.

- In 2002, approximately 54% of Indigenous Australians aged 15 years and over were living in households which reported they could not raise \$2,000 within a week in a time

of crisis. Just over one-third (37%) of these households contained Indigenous children under five years of age and 64% contained Indigenous children under 15 years of age.

- Indigenous people in remote areas were more likely to report that they could not raise \$2,000 within a week than Indigenous people in non-remote areas (73% compared with 47% respectively).
- Indigenous people aged 18 years and over were about four times as likely as non-Indigenous people to report that they were unable to raise \$2,000 within a week in a time of crisis.

### **Data quality issues**

#### **National Aboriginal and Torres Strait Islander Health Survey (NATSIHS) and National Aboriginal and Torres Strait Islander Social Survey (NATSISS)**

*The NATSIHS and NATSISS both use the standard Indigenous status question. The survey samples were specifically designed to select a representative sample of Aboriginal and Torres Strait Islander Australians and thus overcome the problem inherent in most national surveys with small and unrepresentative Indigenous samples. As with other surveys, the NATSIHS and NATSISS are subject to sampling and non-sampling errors. Calculations of standard errors and significance testing help to identify the accuracy of the estimates and differences.*

*Information recorded in these surveys are essentially 'as reported' by respondents. The ABS makes every effort to collect accurate information from respondents, particularly through careful questionnaire design, pre-testing of questionnaires, use of trained interviewers and assistance from Indigenous facilitators. Nevertheless, some responses may be affected by imperfect recall or individual interpretation of survey questions.*

*Non-Indigenous comparisons are available through the National Health Survey (NHS) and the 2002 General Social Survey. The NHS was conducted in major cities, regional and remote areas, but very remote areas were excluded from the sample. Time series comparisons are available through the 1995 and 2001 National Health Surveys and the 1994 National Aboriginal and Torres Strait Islander Survey.*

*In remote communities there were some modifications to the NATSIHS and NATSISS content in order to address language and cultural appropriateness in traditional communities, as well as to assist respondents in understanding the concepts. Some questions were excluded and some reworded. Also, paper forms were used in communities in remote areas and computer-assisted interview (CAI) instruments were used in non-remote areas. The CAI process included built in edit checks and sequencing.*

*Further information on NATSIHS and NATSISS data quality issues can be found in the national publications (ABS 2004; 2006).*

## **References**

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