

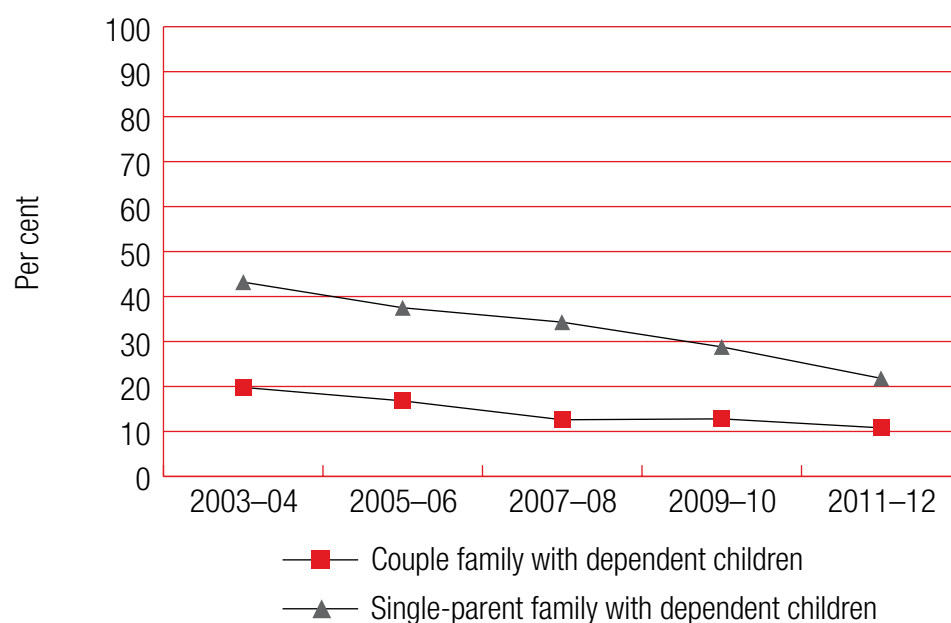
5.1 Low-income households

Why this measure is included

Children and young people living in families with inadequate income are at greater risk of poor health and educational outcomes in the short and long term.³³² Low-income families are less likely to have sufficient economic resources to support a minimum standard of living. This can affect children and young people in the family through reduced provision of appropriate housing, heating, nutrition, medical care and technology.^{333 334}

Children and young people from low-income families can be more prone to psychological or social difficulties, behavioural problems, lower self-regulation and elevated physiological markers of stress.³³⁵ International research has revealed that a primary concern of children and young people in economically disadvantaged families is being excluded from activities that other children and young people appear to take for granted, and the embarrassment this can cause.^{336 337}

Figure 5.1: People in family households with dependent children considered low-income: in per cent, by family type, Western Australia, 2003–04 to 2011–12



Source: Australian Bureau of Statistics, *Household Income and Income Distribution, Australia*, 2003–04 to 2011–12 [series], custom reports (unpublished)

Table 5.1: People in family households with dependent children considered low-income: number and in per cent, by family type, Western Australia, 2007–08 to 2011–12

	People in couple family with dependent children		People in single-parent family with dependent children		Total
	Number	Per cent	Number	Per cent	Number
2003–04	168,100	19.8	72,600	43.2	240,700
2005–06	142,200	16.8	61,200	37.5	203,400
2007–08	114,200	12.6	47,700	34.3	161,900
2009–10	119,800	12.8	48,500	28.8	168,300
2011–12	113,000	10.8	29,400	21.8	142,400

Source: Australian Bureau of Statistics, *Household Income and Income Distribution, Australia*, 2007–08 to 2011–12 [series], custom reports (unpublished)



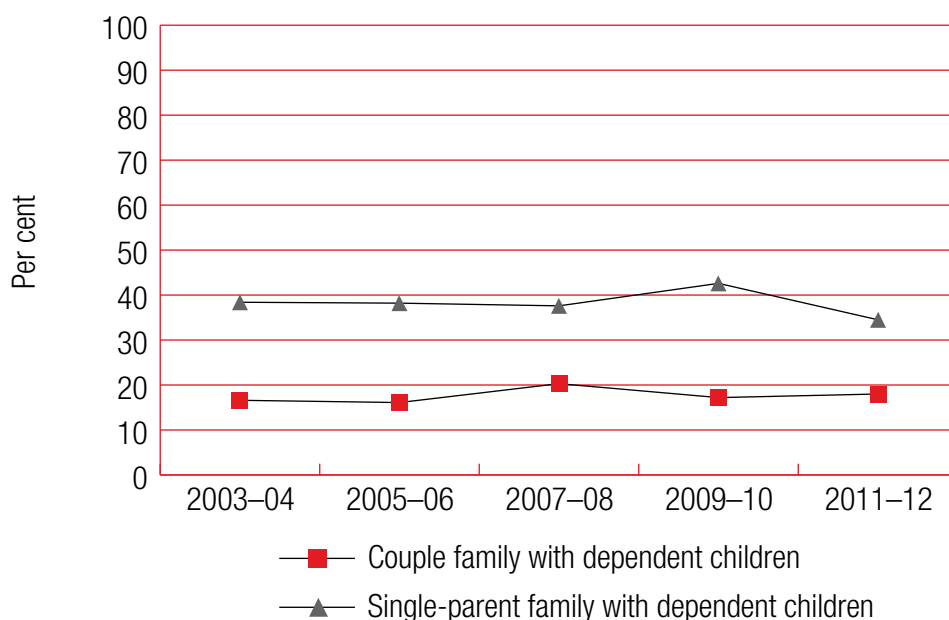
Table 5.2: Median* weekly income for people in family households: in Australian \$, Western Australia and Australia, 2011–12

	Couple family with dependent children	Single-parent family with dependent children	All households
	\$	\$	\$
WA	862	687	867
Australia	801	578	790

Source: Australian Bureau of Statistics 2013, *Household Income and Income Distribution, Australia, 2011–12*, custom report (unpublished)

* The midpoint when all people are ranked in ascending order of income.

Figure 5.2: People in family households with dependent children considered low-income: in per cent, by family type, Australia, 2003–04 to 2011–12



Source: Australian Bureau of Statistics, *Household Income and Income Distribution, Australia, 2003–04 to 2011–12* [series]

What is this measure?

This measure uses data from the *Survey of Income and Housing*³³⁸ conducted every two years by the Australian Bureau of Statistics (ABS). It presents estimates of the number of people in family households with dependent children³³⁹ which are considered low-income (ie those people with household income in the second and third deciles³⁴⁰).

Data is available for couple and single-parent families in Australia for the period 2003 to 2012. Data for individual states and territories is also available however only as part of a custom report. Western Australia (WA) data has been requested for the period 2003 to 2012.

Separation of the data by Aboriginal status is not available.

Also included in this measure is information on the median (ie the midpoint when all people are ranked in ascending order of income) weekly household income for family households.



Commentary

In 2011–12, 10.8 per cent of people in couple families with dependent children in Western Australia were living in low-income households. People in single-parent families with dependent children were twice as likely as people in couple families to be living in low-income households, with 21.8 per cent being classified as such (Table 5.1).

From 2003–04 to 2011–12, the proportion of people in couple families with dependent children who are living in a low-income household has nearly halved from 19.8 per cent in 2003–04 to 10.8 per cent in 2011–12 (Figure 5.1).

The proportion of people in single-parent families with dependent children who are living in a low-income household has also halved from 43.2 per cent in 2003–04 to 21.8 per cent in 2011–12 (Figure 5.1).³⁴¹

Nationally, the percentage of people in families with dependent children who are living in low-income households has fluctuated during the period 2003–04 to 2011–12. Overall, the proportions have remained largely unchanged particularly for couple families (Figure 5.2). In 2011–12, 18.0 per cent of people in couple families and 34.5 per cent of people in single-parent families were living in a low-income household.

The reasons for the change in the proportions of people living in low-income households and in particular the strong decrease in these proportions in WA may be complex, but the last decade was a period of high wages growth and relatively high employment in WA.

In 2011–12, WA had the second highest mean income (after the ACT) which was 11 per cent above the national mean income.³⁴² In comparison, in 2002–03, the Western Australian mean income was at about the national average.³⁴³

While there has been high wages growth, there has also been high increase in the cost of living. The Western Australian Council of Social Services reports that “the incomes of low income households in WA are failing to keep up with increases in the basic costs of living”.³⁴⁴ For low income households, housing accounts for the largest percentage of weekly expenditure.³⁴⁵ Between 2002–03 and 2011–12, the mean housing costs for renters in Western Australia (both public housing tenants and private tenants) increased by 79.9 per cent from \$179 to \$322 per week.³⁴⁶

The median weekly income for people in couple families with dependent children in 2011–12 was similar to the median income of people in all households (\$862 compared to \$867). The median weekly income for people in single-parent families however was significantly lower at \$687. Overall, the median weekly incomes are higher in WA than in Australia for all household categories (Table 5.2).

Strategies

National Affordable Housing Agreement, Council of Australian Governments (released 2009)

The National Affordable Housing Agreement (NAHA) commenced in 2009 and aims to ensure all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation. The NAHA provides housing assistance to low and middle income Australians and is supported by the National Partnership Agreements on social housing, homelessness and Indigenous Australians living in remote areas. Further information is available at www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-affordable-housing-agreement

Want to know more?

Data on low-income families

The ABS provides a bi-annual publication on household income and income distribution. It is available at www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6523.0Main+Features62011-12?OpenDocument

Research, related reports and articles

The Western Australian Council of Social Services' *Cost of Living* series of reports is available at www.wacoss.org.au/policy_and_advocacy/CostofLiving.aspx

The Australian Institute of Health and Welfare report *Australia's welfare* provides national information on welfare services in Australia. Further information is available at www.aihw.gov.au/publication-detail/?id=60129543825

The Smith Family's 2011 report, *Unequal Opportunities: Life Chances for Children in the 'Lucky Country'*, showed that the most well off one-fifth of Australian children (ranked by household) had access to 3.1 times the economic resources of the poorest one-fifth of Australian children in 2009. The report is available at www.thesmithfamily.com.au/~media/Files/Research%20and%20Advocacy%20PDFs/Research%20and%20Evaluation%20page%20PDFs/natsem-opportunities-final-report-2011.ashx

The *Making a Difference: Building on Young People's Experiences of Economic Adversity* prepared by the UNSW Social Policy Research Centre, explores the perceptions of children and young people aged between 11 and 17 years who experience economic adversity. The report is available at www.thesmithfamily.com.au/~media/Files/Research%20and%20Advocacy%20PDFs/Research%20and%20Evaluation%20page%20PDFs/making-a-difference-2012.ashx

The Commissioner for Children and Young People's 2010 research report, *Speaking Out About Wellbeing*, showed that the 'basics' such as food, clothing shelter, enough money to live, parents who looked after them and health care was important to children and young people. The report is available at www.ccyp.wa.gov.au/content.aspx?cld=326

In 2011 *Breaking cycles of disadvantage* identified three key principles for addressing cycles of disadvantage:

- The way you treat people matters – how support is provided
- Continuity of support is essential
- A focus on addressing structural disadvantage must be maintained – holistic response to reduce the structural barriers.

Further information is available at <http://pandora.nla.gov.au/pan/142909/20130920-1300/www.socialinclusion.gov.au/sites/default/files/publications/pdf/breaking-cycles-of-disadvantage.pdf>

The 2011 report *Governance models for location based initiatives* provided advice to the Australian Government on governance models that work best for locational approaches to address disadvantage, reporting that initiatives should be based on five key elements:

- Clear connection between economic and social policy and programs at a local level
- Framework for providing integration of effort across governments
- Level of devolution that allows significant and meaningful local investment in determining the issues and solutions
- Capacity development at both local level and in government
- Funding, measurement and accountability mechanisms.



Further information is available at <http://trove.nla.gov.au/work/81064810?q=Governance+models+for+location+based+initiatives&c=book>

The report *Addressing barriers for jobless families* identifies four elements that government and community-based organisations need to include when addressing social exclusion for jobless families:

- Sustainability – ensuring that work provided to jobless families is sustainable
- Individualisation and flexibility – to meet the diverse and complex needs of jobless families
- Incremental achievement – providing parents in jobless families with alternatives and choices that are realistically achievable and attractive to them
- Accessibility – these issues may include structural barriers such as transport, internet access and childcare, as well as personal barriers such as poor education and health, and stigmatisation.³⁴⁷

The report is available at <http://trove.nla.gov.au/work/81064808?q=addressing+barriers+for+jobless+families&c=book>

Other information

The Hardship Utilities Grant Scheme (HUGS) is a State Government scheme that provides financial assistance to help people with financial difficulties pay their water, gas and electricity bills so their supply is not cut off. To be eligible for HUGS, a person must be:

- unable to pay a current bill and be at risk of disconnection or already be disconnected
- experiencing money problems.

Further information is available at [www.dcp.wa.gov.au/servicescommunity/Pages/HardshipUtilitiesGrantScheme\(HUGS\).aspx](http://www.dcp.wa.gov.au/servicescommunity/Pages/HardshipUtilitiesGrantScheme(HUGS).aspx)

Centrelink has a range of programs and services to assist families and young people to become self-sufficient and to support those in need, including income management, financial information and counseling, and child support. Further information is available at www.humanservices.gov.au/customer/dhs/centrelink

ConcessionsWA is an online resource where citizens can search to find details on rebates, concessions and subsidy schemes provided by the Government of Western Australia. Further information is available at www.concessions.wa.gov.au/Pages/default.aspx

