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Retirement Saving in Australia

Garry Barrett
Yi-Ping Tseng

SEDAP Research Paper No. 177

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Retirement Saving in Australia

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Abstract:

Australia's retirement income system has several distinctive features – most notably a policy of government mandated private saving and a means-tested Age Pension – which have gained increasing international attention. This paper provides an overview of the institutional features of the retirement income system in Australia, including details of the development and operation of the policy of forced retirement saving. The role of the different tiers of system in accounting for the income of the current cohort of seniors is examined using the Australian Bureau of Statistics Household Expenditure Survey. The economic position of adjacent, younger cohorts is also considered. The final section canvasses a selection of reform proposals emerging from the public debate over the future of Australia's retirement income system.

Résumé:

Le système Australien de revenu de retraite jouit de plusieurs caractéristiques distinctives – plus particulièrement un programme gouvernemental d'épargne privée obligatoire et un régime de retraite publique (Age Pension) lié aux ressources – qui ont progressivement attiré l'attention internationale. Cet article fournit une vue d'ensemble des dispositifs institutionnels du système de revenu de retraite en Australie, y compris les détails du développement et de la mise en place du programme d'épargne de retraite obligatoire. Nous examinons le rôle des différents piliers du système dans la part du revenu de la retraite de la génération actuelle des seniors en utilisant des données provenant de l'Enquête des dépenses des ménages du Bureau de statistique australien. La position économique des cohortes adjacentes plus jeunes est également examinée. La section finale prospecte une sélection de projets de réforme émergeants de la discussion publique sur l'avenir du système de revenu de retraite de l'Australie.

Keywords : Retirement income, social security, forced saving

JEL Classifications: D91, H55

1. Introduction

In 1992 the Australian government introduced a policy mandating individuals to save for their retirement, which is known as the "Superannuation Guarantee" (SG). Australia was one of the first countries[1] to introduce a policy compelling private retirement saving, and in recent years a number of countries, with developed and developing economies, have introduced similar schemes. Interest in policies which mandate saving is generated in part by the implications of population ageing for the future well-being of seniors, and for the fiscal sustainability of social security systems.

This paper provides an overview of retirement incomes policy in Australia. The 'first tier' of a (means-tested) flat-rate non-contributory Age Pension is described. The second tier of voluntary private retirement saving (or 'voluntary superannuation' as it is locally known) is outlined, followed by the development and implementation of the third tier of forced retirement saving - the SG. After describing the institutional arrangements in Australia, the role of the different tiers in providing income for the current cohort of seniors is examined using the Australian Bureau of Statistics Household Expenditure Survey. The economic position of adjacent, younger cohorts is also considered. The final section of the paper canvasses a selection of emerging issues in the public debate over reforms to Australia's retirement income policies.

2. Social Security Australia: the "Age Pension".

The Age Pension in Australia was introduced in 1909. The primary objective of the pension at that time was to alleviate the high incidence of poverty among the elderly population. Since it's inception, the Age Pension has been subject to a means test, which is based on income and assets. Initially the means test was very strict and approximately 30% of the elderly population received benefits. As the means test was relaxed over time, the participation rate increased, peaking at over 85% in the 1980's (coinciding with the suspension of the assets test). The Age Pension now more closely resembles a general entitlement rather than a tightly targeted benefit. In 2004/05 the federal government spent $21 billion in the program and 1.95 million Australians - approximately 77% of the elderly population - received some Age Pension benefits. The Age Pension was the main source of income for a majority of beneficiaries.

2.1 Structure of the Age Pension

The important parameters of the Age Pension program as it presently operates in Australia are described below.

a) Eligibility

Eligibility for the Age Pension is based on a residency and age requirements. Individuals need to have been resident in Australia for 10 years prior to application. Further, males must be at least 65 years of age, and females must be 63 years of age. The Age Pension age for women has been gradually increasing from age 60 years in 1995 (hence applying to women born prior to July 1935), and will eventually be equal to age 65 years in 2014 (applying to women born after 1948).

[1] Chile and Switzerland had instituted private mandatory retirement saving policies in 1981 and 1985, respectively.

b) Benefit Levels

At 1st June 2006, the Age Pension benefit was A$499[2] per fortnight for individuals or A$834 (combined) per couple.[3] Benefit levels, and means test thresholds, are adjusted every six months in line with changes in the consumer price index or average (ordinary time) male earnings – whichever is greater. Recipients[4] also receive subsidies for health care, pharmaceuticals, public transport, utilities and rent assistance.

c) Means Test

The Age Pension benefit payment is subject to an Income test and Asset test. The Income test is based on an 'income disregard' or threshold of $128 ($228) per fortnight for singles (couples), above which benefits are reduced by $0.40 ($0.20) for every additional dollar of private income.

The Asset test depends on the homeownership status of the recipient. For homeowners, the 'asset disregard' is $161,500 ($229,000) for singles (couples), and for non-homeowners the asset disregard is $278,500 ($346,000) for singles (couples). Pension benefits are withdrawn by $3 per fortnight for every $1000 assets above the disregard levels. In 2004/05, two-thirds of the Age Pension recipients received the maximum pension amount.

d) Funding

The Age Pension is funded from general tax revenues on as a Pay-As-You-Go basis. Benefits are not based on 'contributions' from earnings, and are independent of prior earnings or taxed paid.

3. Voluntary private retirement saving

Voluntary private retirement saving schemes have traditionally played an important role for a minority of Australian workers. Voluntary superannuation has provided an integral source of retirement income for high income earners and public sector workers. Since 1914 voluntary superannuation saving has received very generous tax concessions. For example, employer contributions and earnings on accumulated contributions were tax-free prior to 1983. At that time, the only taxation on superannuation was a levy of 5% on the accumulated amount on withdrawal at retirement. The concessional tax treatment of superannuation was especially valuable to high income earners who faced the highest marginal income tax rates. The concessions were correspondingly less valuable for low and middle income earners.

Tax concessions for superannuation were significantly reduced in 1983 when a 30% tax on lump-sum benefits accrued after that date was introduced. The concessions were further reduced in 1988 with the introduction of a tax on fund earnings. Even so, the tax treatment of superannuation still remains concessional in many ways – see Edey and Simon (1996) and Bateman et.al. (2001) for fuller details.

As a pillar of retirement incomes policy, personal superannuation saving was limited in important respects. As discussed by Bateman and Piggott (2002), the preservation of savings tended to be very poor and the coverage of the population was low – being concentrated in specific occupations and the public sector. For instance, prior to 1986 only 30 % of private sector workers had any superannuation savings, and less than 25% of female employees had occupational superannuation. Statistics on the broad incidence of

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[2] The current exchange rate is approximately A$1.00 = CAN$0.86 = US$0.76.

[3] The benefit level for individuals is equal to 26% of gross male average earnings

[4] 'Self-funded' retirees – those who are ineligible for Age Pension benefits due to the means test – also have access to a range of government subsidies, including those for health care and transport.

superannuation saving since 1974 are presented in Table 1. Coverage of superannuation substantially increased in the late 1980's and especially the early 1990's with the introduction of the policy of mandated retirement saving in Australia.

4. Mandated private retirement saving

The policy of forced private retirement saving had it's genesis in the centralized wage decision of 1986. The federal Labor government, which came into office in 1983, and the Australian Council of Trade Unions (ACTU) – the peak union body – had negotiated an "Accord." This formed part of the government's incomes policy by which the government sought to contain wage and price inflation. By committing the government to 'social wage' expenditures (including income support program and public health care systems) the government received ACTU commitment to temper wage demands. In 1985/86 the inflation rate was 6%, and rather than seek a nominal wage increase in line with inflation, the union received government support for a 3% wage increase combined with a 3 % employer-provided superannuation payment. This was subsequently endorsed by the Industrial Relations Commission (IRC) in June 1986.[5]

The employer-provided superannuation contributions – referred to as "productivity award superannuation" (PAS) - were paid into individual employee accounts in existing, or union-created, industry funds. Over the following three years, as employment awards were renegotiated, the employer contribution was progressively incorporated into awards. Consequently the coverage of superannuation saving substantially increased, particularly in the private sector, as shown in Table 1.

In 1991 the federal government and the ACTU sought a further 3% in employer-provided superannuation contributions. This application was rejected by the IRC. The government responded by introducing legislation which mandated employer contributions to superannuation. This policy – the "Superannuation Guarantee" - came into force in 1992.

4.1. Features of the "Superannuation Guarantee"

The SG required employers to contribute three percent of employee earnings into individual worker accounts. The SG included a timetabled increase in employer contributions, reaching the full nine percent of earnings in 2002. The SG policy contained features which corrected failings of the earlier PAS scheme. The legislated framework of the SG addressed the problems of non-compliance (and included significant tax penalties for non-complying employers) and the slow introduction of the PAS payment due to the nature of the award system and delays in the negotiation of new awards. The award system also did not cover substantial segments of the workforce – particularly part-time and service sector workers.

The SG was also seen by government as addressing several broader areas of macro-policy. The SG was introduced in the context of the government's Incomes policy to contain inflationary pressures. In addition, the SG mandated a minimum level of private retirement provision which would reduce pressure on the sustainability of the Age Pension program – especially in the context of population ageing. Further, it was widely believed that the SG would help boost national private savings – which, in Australia, was (and remains) relatively low from an historical and international perspective.

[5] The agreement was not supported by the Confederation of Australian Industry, which unsuccessfully challenged the IRC decision in the High Court on grounds on constitutionality.

Key features of the SG policy are summarized below.

a. Contributions.

The SG involved a phased introduction, requiring three percent employer contributions in 1992 which were gradually ratcheted up, reaching the full nine percent of earnings in 2002. There was a cap on level of earnings subject to the employer SG contribution: the earning cap was $122,240 in 2002.

b. Coverage

The SG covers all employees aged 18-65 years with earnings in excess of A$450 per month (which corresponded to 14% of average male full-time earnings in 1991). Approximately 7% employees fall below this earnings threshold at a point in time. The rationalization for the earnings threshold was that the administration fees of the SG savings accounts would prevent a reasonable accumulation of funds. The SG specifically excluded self-employed workers – though the self-employed, like all wage and salary earners, can make voluntary superannuation savings.

It is noted that the SG mandated levels would have no impact on the level of superannuation savings of employees who already received employer contributions at the mandated level (or higher). Such voluntary employer contribution contributions may have been bargained in prior rounds of employment agreements.

c. Funding.

The SG contributions are paid by the employer into individual employee accounts with a registered private superannuation fund. Unlike in Chile, which has operated mandated private savings since 1981, where personal accounts are held with the central government, in Australia the mandated saving are held and managed by private funds. There are no asset requirements or minimal rate of return requirements on the accounts managed by the superannuation funds.

d. Benefits

Benefits are paid on a defined contribution basis. Accumulations are determined by history of saving contributions and fund earnings minus administrative costs and government taxes. The benefits are full vested, portable and are preserved (with very few exceptions) until age 55 (the preservation age is being ratcheted up to age 60 by 2025).

As shown in Table 1, the introduction of the SG substantially increased coverage of superannuation savings, with over 90% of all workers having some employer-provided superannuation by 2004. Further dimensions of superannuation coverage in 2004 are shown in Table 2. It is apparent that by 2004 superannuation coverage extended across the earnings distribution and included part-time workers. Coverage was less among those with the lowest earnings (just over half of the employees earning less than $200 per week were coverage), though coverage was very high for private sector workers, women and part-timer workers.

4.2 Impact of the Superannuation Guarantee

The SG is a significant policy experiment, and the effectiveness of mandating retirement saving is of substantial policy interest to the Australian government. The policy is also of interest to governments around the world which are confronting the implications of population ageing. However, very little is presently known about the impact of the SG on household (or national) savings. The research paper by Connelly and Kohler (2004) is presently the only study which has sought to evaluate the impact of the SG on private household saving. Connelly and Kohler use aggregate, annual time series data for the period 1966/67 to 2001/2002 and model the level of saving as a function of labour income, wealth, a proxy for the degree of financial deregulation (the ratio of household debt to income) and an indicator variable for the introduction of the compulsory superannuation saving (SG). From the time-series model estimates they find that in the long run, voluntary superannuation saving is reduced by 38 cents for every dollar saved due to the SG. That is, Connelly and Kohler estimate that each dollar contributed under the SG represents 62 cents of *new* savings. The extent of crowd-out of SG saving is comparable to the results in Attanasio and Brugiavini (2003) and Attanasio and Rohwedder (2004) on the crowd-out of private saving due from Social Security in Italy and the UK, respectively. However, the findings of Connelly and Kohler are not definitive, and the study has a number of limitations. The limitations of the study include: (i) the dependent variable is taken from National Accounts data and only measures active savings (aggregate income minus consumption saving) and does not take account of "passive saving," which includes changes in wealth due to capital gains, which potentially is an important component of retirement saving, (ii) the analysis is conducted at a high level of aggregation, and at best may reflect an average of household savings behaviour where the average is weighted by family income, (that is, it may be most informative about the behaviour of high income households - which may be the households of *less* policy interest), (iii) the high level of aggregation precludes a consideration of the distribution of responses across the income range, or across different demographic groups, and (iv) the effect of the SG is identified under the assumption that counterfactual trends in saving behaviour can be accurately forecast with pre-SG data. The findings of Connelly and Kohler's study on the effects of the SG on household saving are not definitive – and further research investigating the impacts of the SG policy is clearly required.

5. The Incomes of Current Retirees

Given that the SG is a relatively recent initiative, and it will take a number of decades for the system to mature, it is useful to consider the income position of the present cohort of retirees. To examine the role of the various tiers of retirement income policy for current retirees, the ABS Household Expenditure Survey for 2003/04 was analysed. The sample of (single-family) households with the reference person aged over 65 years was extracted. Descriptive statistics on income, expenditure and wealth by income quintile are presented in Table 3. A number of significant features regarding family well-being are evident. First, government benefits are a critical source of income for the over 65's population. In the lowest quintile, over 90% of households receive some government benefits, and benefit account for over 90% of household income. In the highest income quintile over 60% of household receive some benefit, though the benefits account for approximately 19% of household income. Second, about one-quarter of all household in the sample received some income from superannuation, which in turn account for 13% of household income on average. The incidence, and level, of income from superannuation savings was lowest for the first income quintile (2% and 3%, respectively) and was increasingly important for higher quintiles (with an incidence of 50.5% in the top quintile and accounting for an average of 30% of household income).

The lower panel of Table 3 reports alternative measures of household resources and hence well-being. Across income quintiles, the differences in average non-durable consumption (and household wealth) are much less pronounced than the differences in mean income. Indeed, mean non-durable consumption levels are relatively flat across the income distribution. Likewise, differences in mean wealth are less pronounced than income across the income distribution. Another significant feature of the sample of households is the relatively high incidence of home-ownership among the elderly population. This, in part, reflects the important role of home-ownership as a form of non-superannuation saving for the Australian population.

It is also useful to consider the impact of retirement income policy on the position of younger cohorts. Table 4 presents descriptive statistics on the sample of households with the reference person aged 55-64 years in 2003/04 by income quintile. This cohort of households is in the retirement window – and will include a mixture of families with members retired and others with a strong attachment to the labour market. At this younger age, there is still a high incidence and reliance on public income assistance. This is particularly so among the lowest two income quintiles where government benefits account for over half oh household income.[6] This is negligible incidence of superannuation income among the lowest quintile, however 20-25% of households in the second and third income quintiles do receive some income from superannuation. These households most likely contain 'early retirees.' Quintiles four and five contain much higher proportion of family members still integrated in the labour market. This cohort of households has a lower incidence of home ownership, but greater average wealth holdings despite their earlier stage of the life-cycle.

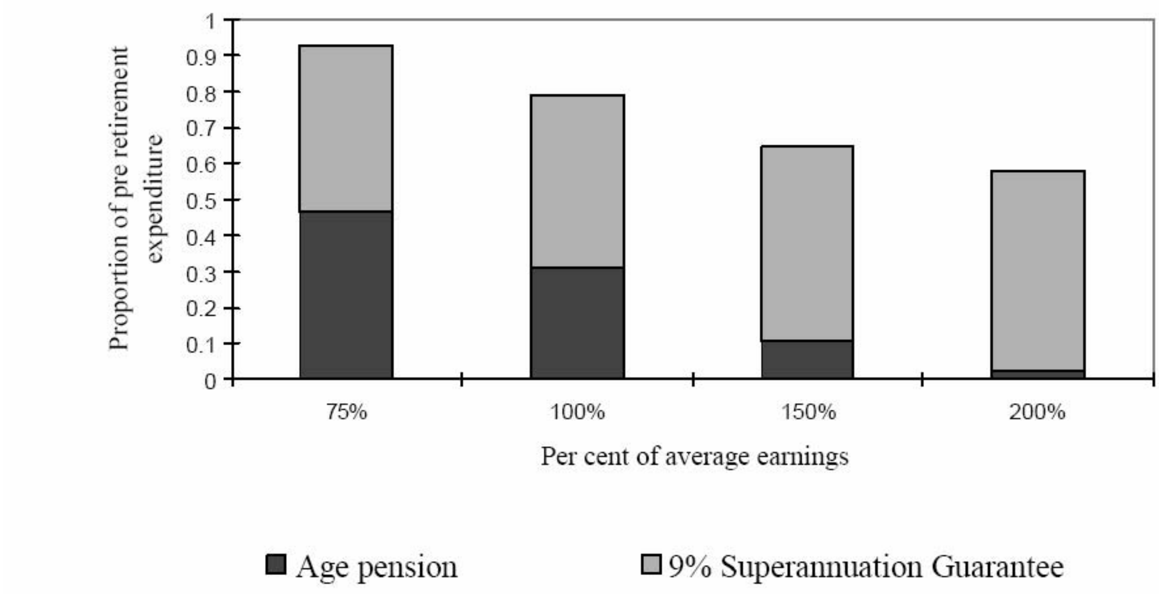
Table 5 presents comparable statistics for the cohort of households where the reference person was aged 45-54 in 2003/04. The mean income levels are higher across the quintiles than that for the older cohorts. There is a slightly lower average incidence of income support, and a substantially lower mean level of support (as a fraction of household income). There is a negligible receipt of superannuation income (received by a senior household member).

There is only a limited amount of information that can be gleaned from a comparison across cohorts at point in time (and hence at different stages of the life-cycle). If is not clear the extent to which superannuation income streams will grow and provide a substitute for public assistance. However, the comparison of cohort of current retirees with adjacent birth cohorts shows that public income assistance will remain an important, and for most, the major source of income for the retirees at least into the near future.

There has been some research simulating the possible implications of the SG once the program is fully mature. Bateman and Piggott (1997) simulated the expected composition of net total retirement income for a cohort of workers who were covered by the SG throughout there working life. The simulation exercise was conducted for a single male worker on fixed income expressed as a fraction of male average earnings. The Age Pension program parameter of 1996 were applied, and the net replacement of pre-retirement expenditures were calculated. The simulation results from Bateman and Piggott (1997: 27) are shown in Figure 1.

[6] Note 'government benefits' includes all public income programs and is not confined to the Age Pension. It is possible that a household member (apart from the reference person) may receive the Age Pension.

Figure 1. Simulated Composition of Future Retirement Income



Source: Bateman and Piggott (1997: 27)

These simple simulations assumed no voluntary saving and hence no SG off-set. However, they are instructive for they illustrate that, with this 'best case scenario' of no crowd-out of private saving, the Age Pension will continue to provide the chief source of income for workers below mean earnings – which is the majority of households. With current policy setting, it is apparent SG savings will at best play a supplementary role to the Age Pension in providing retirement income for elderly Australians. Only the highest earners (at double mean earnings) are predicted to be essentially self-funded in retirement due to their accumulations at the rate required under the SG.

6. Policy Debate in Australia

In this final section, the current debate in Australia on reforms to retirement income policy is selectively reviewed. There has been active debate on the need and potential direction of reforms. This debate has been spurned on by the release of the Treasury's (2002) *Intergenerational Report* and, more recently, the Productivity Commission's (2005a) research report on the *Economic Implications of an Ageing Australia*. This review is not meant to be comprehensive or representative of the broad set of potential reforms that have been raised. This brief review selectively focuses on proposals that are most relevant to the role of operation of SG. These proposals reviewed do reflect the tension between competing policy objectives and the appropriate role (and efficacy) of government mandates.

A range of proposed reforms aim to achieve better integration between the different pillars of the retirement income system. One proposed reform is for government to increase the superannuation preservation age (for both mandated and voluntary saving) to age 65. This would bring the preservation age in line with the Age Pension eligibility age. The argument in support of this proposal is that it will help ensure superannuation saving is used for retirement income purposes (by removing any incentive favouring the excessive consumption of accumulations in the period between labour market withdrawal and access to the Age Pension). It is difficult to access the importance of such a reform with the little available evidence on the consumption of superannuation savings prior to receiving the Age Pension or on the substitutability between different forms of savings.

A series of reforms have been mooted for Superannuation policy. There is a concern among some commentators that the current SG level of nine percent of earnings does not ensure an adequate income stream in retirement and provide inadequate independence from public income support. An increase in the mandate level of SG contributions has been raised. Indeed, the Labor government that implemented the SG has proposed increased the SG to 15% of earnings (with the additional six percent composed of three percent employee and employer contributions) – however, that government was voted out of office before that increase in contributions came to fruition. From a comparison across countries with similar systems, Australia does have a relatively low rate of mandated contributions. The countries with systems most comparable to Australia's SG are Switzerland and Chile. In Switzerland the average compulsory contribution rate is 12% of wages, while in Chile the compulsory rate (which is net of commissions and other payments) is 10%. Another feature of the Swiss policy that has attracted attention is that contributions are a function the employee's age: the contribution rate peaks at 15% for males aged 45 to 54 years. Much of the public debate in this area in predicated on an implicit assumption of crowd-out private saving due to the mandated SG level: empirical evidence on the crowd-out effects of SG is critically needed for this debate to advance in a meaningful way.

Other reform proposals address specific aspects of the Age Pension program. A distinctive feature of the Age Pension in Australia is that it has been subject to a means test since its inception. The means test per se is largely uncontroversial, though aspects of the implementation of the means have been called into question. Some analysts have proposed reforms to the treatment of housing in the assets test. The assets test does not include the value of home-owner's principal residence (though the asset disregard level varies according to home-ownership status) – which provides an incentive to invest in housing, and housing has acted as an important form of savings in Australia. Including housing in the assets test would remove distortions favouring housing – which, depending on the results composition of investments, may also lead to more productive uses of the capital.

Another line of reform proposals relate to Age Pension eligibility age. Life expectancy has improved dramatically over the last century, due to a variety of factors including improved health knowledge and medical technology, public health program and improved nutrition. Some analysts have advocated increasing the Age Pension age, and perhaps linking it explicitly with mortality improvements. Such a policy may impact most immediately on labour supply decisions – and the timing of retirement. However, it would clearly have implications for saving behaviour as such a reform would be equivalent to a negative social security wealth shock.

A more comprehensive overview of the policy debate over the future direction of the retirement income policy in Australia is available in Productivity Commission (2005a, 2005b). It is clear that this will remain an important area of public policy reform which has a critical need for further evidenced based research.

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Table 1. Trends in Superannuation Coverage

	Public Sector (% Covered)	Private Sector (% Covered)	Males (% Covered)	Females (% Covered)	All Employees (% Covered)
1974	57.5	23.9	40.8	16.5	32.2
1982	69.4	39.1	57.5	32.2	48.9
1988	71.9	47.7	65.7	39.0	54.5
1993	94.5	86.3	90.5	86.0	88.5
1997	95.4	86.2	89.3	86.8	88.2
2001	96.7	88.3	90.3	89.3	89.9
2004	97.2	88.5	90.4	89.6	90.1

Source: ABS Cat. No. 6319.0 (for years 1974-1993), 6310.0 (for years 1997+).

Table 2. Employees with Employer-Provided Superannuation, 2004

Weekly Earnings in Main Job	*Full-time*	*Part-time*	*Males*	*Females*	*All*
under $200	75.3	50.6	45.4	54.7	51.5
$200-$400	88.2	86.2	79.8	90.1	86.7
$400-$600	94.9	93.7	92.7	95.8	94.5
$600-$800	97.0	96.3	96.0	98.1	96.9
$800-$1000	97.8	94.8	96.9	98.5	97.5
$1000-$1200	97.9	98.3	97.3	99.3	98.0
$1200-$1400	98.8	86.7	97.9	99.5	98.4
$1400-$1600	96.5	100.0	96.7	96.3	96.6
$1600 and over	95.4	86.6	94.8	96.8	95.2
Sector:					
Public	98.7	92.6	97.3	97	97.1
Private	94.9	73.7	89.3	87.5	88.5
Total	95.7	76.7	90.4	89.6	90.1

Source: ABS Cat. No. 6310.0.

Table 3. Households Where Head is Aged Over 65 Years: Characteristics by Income Quintile

	1	*2*	*3*	*4*	*5*	*Total*
Average Weekly Income ($)	200.16	304.57	411.44	550.80	1260.21	541.29
Proportion with Income from Govt Benefits (%)	0.902	0.964	0.929	0.862	0.609	0.855
Proportion of Income from Govt Benefits (%)	0.868	0.846	0.803	0.603	0.188	0.665
Proportion with Income from Superannuation (%)	0.022	0.132	0.166	0.438	0.505	0.251
Proportion of Income from Superannuation (%)	0.032	0.040	0.084	0.210	0.297	0.131
Average Weekly Non-durable Expenditure ($)	281.00	302.77	321.67	382.47	508.11	358.28
Average Wealth ($1000)	33.8	295.4	412.8	556.2	1294.6	575.2
Proportion own home outright (%)	0.704	0.656	0.854	0.859	0.880	0.789
Average Family Size	1.063	1.184	1.818	1.868	2.149	1.611
Observations	261	250	263	262	265	1301

Source: Calculations derived from ABS Household Expenditure Survey 2003/04.

Table 4. Households Where Head is Aged 55-64 Years: Characteristics by Income Quintile

	1	*2*	*3*	*4*	*5*	*Total*
Average Weekly Income ($)	214.34	462.42	772.40	1175.02	2398.48	1003.74
Proportion with Income from Govt Benefits (%)	0.701	0.730	0.350	0.345	0.211	0.468
Proportion of Income from Govt Benefits (%)	0.647	0.564	0.168	0.082	0.021	0.296
Proportion with Income from Superannuation (%)	0.027	0.205	0.247	0.166	0.121	0.153
Proportion of Income from Superannuation (%)	0.018	0.107	0.150	0.080	0.043	0.080
Average Weekly Non-durable Expenditure ($)	327.26	369.27	430.78	514.29	591.75	446.52
Average Wealth ($1000)	378.9	580.8	593.9	772.8	1492.4	763.4
Proportion own home outright (%)	0.621	0.709	0.534	0.546	0.529	0.588
Average Family Size	1.284	2.074	2.033	2.250	2.854	2.098
Observations	221	214	218	216	225	1094

Source: Calculations derived from ABS Household Expenditure Survey 2003/04.

Table 5. Households Where Head is Aged 45-54 Years: Characteristics by Income Quintile

	1	*2*	*3*	*4*	*5*	*Total*
Average Weekly Income ($)	375.68	833.71	1250.08	1808.64	3034.47	1459.62
Proportion with Income from Govt Benefits (%)	0.659	0.428	0.455	0.313	0.184	0.408
Proportion of Income from Govt Benefits (%)	0.565	0.138	0.052	0.026	0.011	0.159
Proportion with Income from Superannuation (%)	0.028	0.031	0.031	0.033	0.017	0.028
Proportion of Income from Superannuation (%)	0.024	0.022	0.009	0.005	0.003	0.012
Average Weekly Non-durable Expenditure ($)	311.22	419.57	444.52	506.29	627.39	461.71
Average Wealth ($1000)	254.2	418.5	518.5	713.5	991.1	578.9
Proportion own home outright (%)	0.323	0.321	0.277	0.303	0.373	0.319
Average Family Size	1.796	2.399	2.890	3.359	3.753	2.839
Observations	267	290	273	287	265	1382

Source: Calculations derived from ABS Household Expenditure Survey 2003/04.

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