



# ABS SUBMISSION

The extent and nature of poverty in Australia

January 2023



## INTRODUCTION

The Australian Bureau of Statistics (ABS) welcomes the opportunity to support the work of the Committee through this submission.

The ABS is Australia's national statistical agency. The ABS' purpose is to inform Australia's important decisions by delivering relevant, trusted, and objective data, statistics, and insights.

The ABS does not have a definition or standard of poverty. However, this submission describes ABS information that may assist in capturing the extent and nature of poverty in Australia which may be relevant to the Terms of Reference. The submission covers the:

- Survey of Income and Housing and Household Expenditure Survey
- Census of Population and Housing
- Multi-Agency Data Integration Project
- Consumer Price Index and Living Cost Indexes
- Labour Force Survey

For inquiries about this submission, please contact Xia Du, a/g Program Manager, Household Income and Expenditure Data, on

## DATA COLLECTION ACTIVITIES

### Survey of Income and Housing (SIH) and Household Expenditure Survey (HES)

The SIH and the HES provide detailed estimates on sources of income, amounts received, household net worth, housing costs and affordability, expenditure, household characteristics and personal characteristics collected from individual households. The principal objective of the surveys is to facilitate the analysis and monitoring of the social and economic wellbeing of Australian residents in private dwellings.

The most recent available SIH provides data for the 2019-20 financial year with 2020-21 data being available in the second quarter of 2023. The most recent available HES provides data for the 2015-16 financial year.

The data included in the SIH and HES allows for complex and cross-sectional analysis to be completed over a wide range of topics. Data items such as employee income, government pension and allowances, employment, housing tenure, dwelling characteristics, disability, and education allow for relationships of persons and households of different demographics and regions to be closely analysed.

For more information on the data items available in the SIH please download the [‘SIH 2019-20 Data item list’](#).

For more information on the expenditure items available in the HES please download the [‘Appendix 6 – Household Expenditure Classification 2015-16’](#).

Please note, [the ABS has been working to replace these surveys with a new survey currently titled the Living Costs in Australia \(LCAS\)](#). In 2023-24, we will be running the SIH only. Household expenditure data is currently expected to be collected in either 2024-25 or 2025-26.

## Census of Population and Housing

The Census of Population and Housing (Census) is the most comprehensive snapshot of the country. The Census is conducted every five years, most recently in August 2021.

The Census collects information about a wide range of topics including income, housing, health, education and employment which can be broken down by different demographics and communities.

A product of the Census since 1986, is the Socio-Economic Indexes for Areas (SEIFA). SEIFA is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage.

SEIFA 2016 is the latest version of this product and consists of four indexes:

- The Index of Relative Socio-Economic Disadvantage (IRSD)
- The Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)
- The Index of Education and Occupation (IEO)
- The Index of Economic Resources (IER).

SEIFA results from the 2021 Census will be available from early to mid-2023.

Care should be taken when comparing Census data with information from other ABS surveys, as definitions and methodology can differ between different statistical collections and may not match Census definitions.

## Multi-Agency Data Integration Project

The Multi-Agency Data Integration Project (MADIP) is a secure data asset combining information on health, education, government payments, income and taxation, employment, and population demographics (including the Census) over time.

MADIP is enabled through a partnership of agencies, including the: ABS, Australian Taxation Office, Department of Education, Department of Employment and Workplace Relations, Department of Health and Aged Care, Department of Social Services and Services Australia.

MADIP can inform on a wide range of associated topics such as income (including allowances and income support payments) and use of healthcare and educational services, as well as characteristics of people. These allow whole-of-life insights about people and households and interactions between their characteristics and outcomes.

As the accredited integrating authority for MADIP, ABS collects and combines data from the various source datasets and provides access to authorised researchers. The broad range of data included in MADIP allows complex questions to be analysed, with new insights that may not be available from a single data source. The datasets are also longitudinal in nature, meaning they allow changes and

patterns in the Australian population, economy and environment to be better understood and analysed over time.

More information is available here:

- [Multi-Agency Data Integration Project](#)

## Consumer Price Index and Living Cost Indexes

Informing point (b) in the inquiry's Terms of Reference, the ABS produces a suite of price indexes measuring inflation and price changes, and their effect on the living expenses of selected household types.

The Consumer Price Index (CPI) provides a general measure of changes in prices of consumer goods and services purchased by Australian households. The CPI is the most commonly used statistic in the calculation of inflation.

CPI and Living Cost Indexes (LCIs) are produced for each quarter (three months ending March, June, September, and December) with the most recent release detailing the September quarter 2022 data. Data for December quarter 2022 will be released on the 25<sup>th</sup> of January 2023.

The CPI produces indexes by 11 major groups, each representing a specific set of commodities. These major groups are divided in turn into 33 sub-groups, and the sub-groups into 87 expenditure classes and are available by capital cities. An expenditure class is a grouping of similar items, such as various types of motor vehicles.

The LCIs measure the price change of goods and services and its effect on living expenses of selected household types.

Household types include:

- Employee households
- Age pensioner households
- Other government transfer recipient; and
- Self-funded retiree households

## Labour Force Survey

The monthly Labour Force Survey (LFS) provides the most authoritative and up to date estimates of labour market activity of Australia's resident civilian population aged 15 years and over. The LFS provides key statistics on employment, unemployment, and underemployment for the whole of Australia and each state and territory, as well as more detailed labour market-specific data, including hours of work and other working arrangements.

To provide further information and insights, the ABS collects periodic supplementary topics and multi-purpose household surveys (MPHS) with the LFS. One such MPHS topic is 'Barriers and Incentives to Labour Force Participation', which began being collected yearly (rather than every two years) from July 2022, with a range of key measures released on a quarterly basis. The most recent

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data on Barriers and Incentives to Labour Force Participation is for the 2020-21 financial year, with the first quarterly release scheduled for March 2023.

Data from this topic includes reasons people were unavailable to start a job or work more hours (such as caring for children or caring for people with disability) and the importance of incentives for people to join or increase their participation in the labour force (such as access to childcare or financial assistance with childcare costs).

More information is available here:

- [Barriers and Incentives to Labour Force Participation](#)
- [Funding the Australian Bureau of Statistics to better collect data on disadvantage | Treasury Ministers](#)

