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Income poverty among Indigenous families with children: estimates from the 1991 Census

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ABSTRACT

This paper brings together information from the 1991 Census of Population and Housing and the 1990 Income and Housing Costs and Amenities Survey to estimate poverty rates for Indigenous families and non-Indigenous families at the time of the 1991 Census and to compare them with estimates from the 1986 Census. It also describes the factors associated with income poverty among Indigenous families.

The analysis in this paper is primarily descriptive and is limited to measuring income poverty using the Henderson poverty line. The main objectives are to produce the first estimates of income poverty using data from the 1991 Census and to update the estimates of poverty among Indigenous families with children derived from a similar exercise using data from the 1986 Census. The results confirm that, in 1991, the common perception that income poverty rates are much higher among the Indigenous population than among the non-Indigenous population, although the gap is less dramatic for sole parent families than it is for two-parent families, is correct. The major factor associated with this poverty is joblessness, with over half of all Indigenous families with children having no employed adults. However, poverty is still higher among those Indigenous families with children in which there is at least one employed adult than it is among comparable non-Indigenous families with children.

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Despite many government initiatives in the intervening years, the following statement in The First Main Report of the Commission of Inquiry into Poverty remains relevant:

> ... there is no doubt that many Indigenous people are in poverty (Commission of Inquiry into Poverty 1975: 258).

There is much evidence to suggest that the major obstacle to eradicating poverty among Australia's Indigenous people is the lack of suitable employment opportunities. For example, in an analysis of the labour market position of Indigenous people in non-metropolitan New South Wales, Ross (1988) identified the causes of Indigenous unemployment as including:

i the concentration of Aborigines in rural areas;

ii the loss of access to traditional land, necessitating reliance on the formal economic system;

iii the loss of access to historically significant sources of formal employment as a result of the decline in the agricultural output and the trend to greater mechanisation of farming;

iv low levels of inherited economic wealth and a high level of reliance on social security leading to low incomes and a cycle of poverty;

v low levels of access to higher levels of formal education and a low level of educational achievement; and

vi low levels of job-related skills.

It was concluded that 'the interactions between these causes are complex but result in an almost certain guarantee of life-long poverty' (Ross 1988: 1). These comments were written almost a decade ago but they still remain applicable in the mid 1990s.

This paper has a number of motivations. Despite the fact that Indigenous poverty is widely viewed as a serious problem, there has in fact been virtually no assessment of the status of the Indigenous population in relation to the Henderson poverty line since the reports commissioned by the Poverty Inquiry. Since that time, there has been a significant number of studies of trends in 'Henderson poverty' among the general population but very few studies have focused on Indigenous poverty. One exception was Ross and Whiteford (1992), who produced the first estimates of poverty among Indigenous families with children since the Commission of Inquiry into Poverty in the 1970s. Using data from the 1986 Census, Ross and Whiteford compared income poverty among Indigenous and non-Indigenous Australian families. They concluded that poverty rates among the Indigenous population were 'generally two to three times as high as for the non-Indigenous population' (Ross and Whiteford 1992: 109).

The purpose of this paper is to update the Ross and Whiteford exercise using data from the 1991 Census and to compare the 1991 estimates with those from the 1986 Census. Apart from general interest in a new set of estimates, this comparison is of particular importance given the initiatives of successive Australian governments in the area of Indigenous affairs since 1986.

Perhaps the most important reasons for undertaking a new analysis of poverty among the Indigenous population arise from two major policy initiatives introduced between 1986 and 1991. The first initiative was the commitment by the then Prime Minister to end child poverty by 1990. That commitment was first voiced in the context of the December 1987 Federal election campaign and was subsequently formalised in the implementation of the Family Package in the 1988 Budget. The second initiative centred on the stated policy goal of equality of employment outcomes by the Year 2000. This goal was announced in 1987 and resulted in enormous financial commitments to Community Development Employment Projects (CDEP) scheme funding.[1] Whatever one's views about the feasibility of these two goals, it should be recognised that the Hawke and Keating Governments had the courage to place poverty centrally on the political agenda in a way reminiscent of the United States 'War on Poverty' in the 1960s.

The importance of paying attention to the links between income levels and child poverty in Indigenous communities was also highlighted by Choo (1990). She noted:

> ... it becomes obvious that the Aborigines who are financially poorest are those receiving Social Security pensions and benefits, especially the women, who have the responsibility for the care of the children of the community, including the older people who are not employed or who are on age or invalid pensions. This latter category includes the grandmothers in the communities, who also bear the responsibility for the care of the children (Choo 1990: 57).

The issue of child poverty among Indigenous families is of particular importance in modern Australian society. This is due both to the much higher probable levels of poverty in Indigenous communities, discussed above, and to the age structure of the Indigenous population.

Perhaps the major demographic difference between the Indigenous population and the rest of the community is its age structure. According to figures from the 1991 Census, 22 per cent of the total population were aged less than 15 years, while 39 per cent of the Indigenous population were less than 15 years of age (Australian Bureau of Statistics (ABS) 1993). Given this combination of underlying vulnerability to poverty and a very high proportion of children, it could be expected that child poverty is potentially a very major problem among Indigenous communities. It follows that any analysis of the government's initiatives on child poverty should pay particular attention to Indigenous children.

This paper provides new estimates of the proportion of Indigenous families with children and with disposable incomes below the (before housing costs) Henderson poverty line using data from the 1991 Census and the 1990 Income and Housing Costs and Amenities Survey. The first section of the paper describes the methodology used to estimate numbers in poverty and discusses the limitations of the approach. This is followed by the main results of the analysis and a discussion of the 1991 poverty picture, which is then contrasted with the picture for 1986. The implications of this analysis are addressed in the concluding section on policy implications.

Methodology and data sources

As previously mentioned, the motivation for the Ross and Whiteford (1990, 1992) estimation of income poverty among Indigenous families was that there had been no estimates of the number of Indigenous Australians in poverty using the Henderson poverty line since the early 1970s. This reflects the fact that the surveys conducted by the ABS are sample surveys. Most have a sample size of between 10,000 and 20,000 individuals and none record information separately for Indigenous respondents. The 1990-91 Income and Housing Costs and Amenities Survey, for example, covered about one-sixth of 1 per cent of the total population. Given that the Indigenous population is about 1.6 per cent of the total population, this means that, even if the survey did identify Aborigines, the sample is likely to include less than 300 Indigenous persons and even fewer Indigenous households. It would, therefore, not be possible to generalise from the survey to the Indigenous population as a whole.

A more promising source of poverty estimates is the recently completed National Aboriginal and Torres Strait Islander Survey. While a fairly comprehensive survey of the Indigenous population, this source of poverty estimates suffers from two shortcomings. First, by its very nature, it can not be used to produce estimates of non-Indigenous poverty. Second, there is no definite commitment to repeating the survey and therefore its value may be limited to a once-only snapshot of Indigenous poverty.

The five-yearly census, in contrast, covers the total population and thus provides the best available basis for analysing the circumstances of Indigenous families. However, the income data in the Census are very limited, with information only being collected on gross income from all sources in 18 broad ranges. Table 4 shows the distribution of gross family income for Indigenous and non-Indigenous families with children, both sole parent and two parent. It is clear that Indigenous families tend to have much lower incomes than non-Indigenous families (apart from sole parents) but by themselves the Census income data cannot be used to estimate poverty rates, since it is necessary to know the precise after-tax incomes of each family or income unit when using the Henderson poverty

line. For example, the Henderson poverty line for a sole parent (not in the work force) with one child was $12,700 in August 1991. The 1990 Income and Housing Costs and Amenities Survey permits accurate estimation of the number of such sole parents with one child and with 1989-90 incomes below this level, but provides no Indigenous identifier. The 1991 Census allows identification of the number of Indigenous sole parents (not in the labour force) with one child, but only indicates whether gross annual income was in one of a number of categories, including $0 to $3,000, $3,001 to $5,000, $5,001 to $8,000, $8,001 to $12,000, $12,001 to $16,000, $16,001 to $20,000.[2] The Census information contains no information on the source(s) of income nor on after-tax incomes.

The solution to this problem adopted in the earlier Ross and Whiteford analysis and replicated here is to attempt to merge the very detailed income data from the Income and Housing Costs and Amenities Survey with the very poor income data from the Census in order to provide a sounder basis for estimating precise levels of income, cross-classified by a set of six common variables in the Census data. This exercise is possible because the Census and the Income and Housing Costs and Amenities Survey were carried out within fairly close proximity to each other, the Census in August 1991 and the Income and Housing Costs and Amenities Survey in September 1990. Results from both collections have since been made available on computer tapes with details at the unit record (individual, income unit, or household level), but with some data suppressed (or perturbed) to maintain the confidentiality of respondents' information.[3]

An overview of the mechanics of the step-by-step procedure by which the Census income data were re-estimated is detailed in Ross and Whiteford (1990, 1992). In brief, the step-by-step procedure involved the following. All individuals in the Income and Housing Costs and Amenities Survey were sorted on the basis of a five-way tabulation cross-classified by family type, labour force status, gender, age and income, with the income category being in $500-a-year increments. This information was then used to allocate an income figure to individuals in the Census sample unit record file. This was the weighted average of the incomes of the individuals in the Income and Housing Costs and Amenities Survey file with the same characteristics in terms of family type, labour force status, marital status, gender and age from the very wide income categories in the Census to the weighted average of the much narrower income ranges from the Income and Housing Costs and Amenities Survey.

Having obtained an estimate of the gross annual income level for each individual, the next step was to apply a model of the personal income tax system for the 1990-91 year, and estimate annual disposable (after-tax) income for all individuals. Annual disposable incomes were then aggregated to 'income unit' incomes, where the income unit used in the

Henderson poverty line is closest to the notion of the nuclear or extended family; for example, an aged parent and an adult child living together would be treated as two income units. To maintain consistency with the Henderson methodology, the analysis excluded all income units containing a person who was self-employed, or a farmer, and also all units which were headed by a 'juvenile' (a person 15 to 20 years of age, not in full-time education and neither married nor with children). The final step was to apply the detailed, before housing costs, Henderson poverty lines for each type of income unit and compare the estimated disposable income to the relevant poverty lines.

As noted by Ross and Whiteford (1990, 1992), there are a number of limitations to this method which should be emphasised. The estimated disposable incomes are far more detailed than those that are available on the Census sample tape; nevertheless, the figures are estimates and should be recognised as such. In the results that follow, analysis has generally been restricted to families with children, solely because of recent policy concerns with these groups. In addition, many objections could be made to the use of the Henderson poverty line for estimating the proportion of the population in poverty; among the criticisms canvassed in Saunders and Whiteford (1989) are the essentially arbitrary nature of the basic poverty standard, and problems associated with the method of adjusting the poverty line for different family types and for general community income changes over time. Notwithstanding these problems, the Henderson poverty line is the most widely used method of estimating poverty in Australia. Its use therefore has the advantage of providing estimates that are comparable with many other estimates of poverty using alternative data sources and allows comparison with the estimates of poverty among the Indigenous population made at the time of the Commission of Inquiry into Poverty.

Perhaps the most important issue that arises in relation to the question of estimating poverty among Indigenous communities and comparing poverty rates with those in the non-Indigenous community is the question of whether the basic methodology is relevant to the population being studied. Among the first researchers to emphasis the importance of this issue were Altman and Nieuwenhuysen (1979). They argued that there may be a problem of bias or 'ethnocentrism' when using official surveys as the basis for comparing the standards of living and socioeconomic status of Indigenous people with those for the rest of the Australian population. Their concern was that the comparison would be done from *'the viewpoint of one set of cultural assumptions'* (Altman and Nieuwenhuysen 1979: xiv, our emphasis).

These points are particularly relevant to the use of an income poverty line and the concept of the income unit used in the Henderson measure. The income unit, as noted above, refers to the immediate or nuclear family within which income is assumed to be shared. Thus, an aged relative living

with her or his children or a financially independent child living with his or her parents are assumed to benefit only from economies of consumption within the household but not from sharing of income. These assumptions are generally questioned but may particularly be questioned in the case of Indigenous families, especially those with more communal traditions and styles of living, for whom a single household typically contains at least two separately identified income units.

This problem can only be noted, not resolved in any definitive manner. One approach to reducing the significance of this issue is to relate the question of total income poverty for the Indigenous population as a whole to that for the non-Indigenous population. That is, rather than attempting to define numbers in poverty as those below the poverty line (or some fraction of the poverty line), the seriousness of poverty could be explored by comparing the total income shared by all Indigenous communities with the total income required to be above the poverty line. This would be an extension of the 'poverty gap' measure often advocated as an alternative to the simple 'head count' of numbers in poverty (Saunders and Whiteford 1987). In further work on this issue, this approach to poverty measurement will be explored.

It can also be noted that while the assumptions about income sharing implicit in the Henderson poverty line may not be particularly relevant to the Indigenous population, the likely much higher incidence of Indigenous poverty may mean that this issue may provide a less distorted picture of poverty in this group than may initially be thought. That is, in the technical measurement of poverty, use of a poverty line which does not allow for income-sharing between households will have less of an effect on estimates of poverty when poverty is experienced by a very high proportion of the population rather than by a fairly small minority. Despite these points, the limitations of the underlying concepts should be remembered. As noted previously by Altman and Nieuwenhuysen (1979), it is always important to bear in mind the diversity of Indigenous circumstances.

A further serious limitation of the approach adopted in this paper is the question of whether the most important aspects of Indigenous child poverty can be truly represented through use of an income-based relative poverty line. The general need to take a much broader approach to the consideration of the meaning of poverty has been advocated by commentators such as Edgar (1989) and Harris (1989). Choo (1990) has noted that there are at least three levels of child poverty that must be taken into account, particularly when considering possible policy responses. The first level is the poverty that is broader than material poverty, although inclusive of it. This is the deprivation that is the consequence of a loss of cultural continuity and identity as a result of dislocation from the spiritual and economic base of the Indigenous people. The second level of poverty is the absolute material disadvantage experienced by many Indigenous families

through the absence of the basic requirements of food, water and shelter. Finally, there is the relative poverty which Indigenous children share with many non-Indigenous children, which is the absence of decent standards of diet, clothing, housing and health care, and the inability to participate in the activities commonly accepted by the great majority of Australians.

The Henderson poverty line is a relative standard which is implicitly based on the assumption that the relative poverty experienced by non-Indigenous families is commensurable with the absolute deprivation and dispossession experienced by Indigenous families. Put another way, use of the Henderson poverty line may appear to imply that poverty in the non-Indigenous community is very like poverty in the Indigenous population, except that a much higher proportion of Indigenous individuals are affected. Without detracting from the seriousness of poverty in the non-Indigenous community, this would clearly be a complete misunderstanding of the nature of Indigenous poverty. Consideration of the statistics on Indigenous health and life expectancy and rates of imprisonment, for example, show that the degree of poverty affecting Indigenous individuals is entirely of a different order from the poverty experienced by the rest of the population.

While use of an income-based relative poverty line cannot adequately capture these fundamental features of much Indigenous deprivation, we believe that the approach adopted here does provide a useful basis for comparing aspects of the economic circumstance of Indigenous and non-Indigenous families. The provision of income transfers and supplements through the social security system is the main method used by all modern welfare states to alleviate poverty. The description and analysis given below may assist in identifying priorities for further assistance through what is the major instrument of welfare state provision.

Results of the analysis

Table 1 shows the income unit structure of the population with children at the time of the 1991 Census. A notable feature of this comparison is the much higher proportion of Indigenous families with children in sole parent income units, with 36.8 per cent of Indigenous families with children being sole parents compared to 18.9 per cent of the non-Indigenous population. The proportion of sole-parent families with children in the non-Indigenous population shown in this table is higher than the figure usually given for the general population (around 15 per cent) because of the exclusion of the self-employed, very few of whom are either sole parents or Aborigines.[4] The bracketed figures given in Table 1 show the proportion of two-parent and single-parent families by number of children. It is apparent from these figures that there is a significantly higher proportion of large families among Indigenous communities than in the non-Indigenous community, with 19.2 per cent of Indigenous couples with children having four or more

children compared to 6.1 per cent of non-Indigenous couples. For sole parents with three or more children, the corresponding proportions were 30.3 per cent and 16.5 per cent, respectively.

Table 1. Income unit structure of the population with children, 1991.

Income unit type	Indigenous families Per cent		Non-Indigenous families Per cent	
Couple with				
one child	20.6	(31.1)	26.6	(33.9)
two children	21.5	(32.4)	32.5	(41.5)
three children	11.5	(17.3)	14.5	(18.5)
four or more children	12.7	(19.2)	4.9	(6.1)
		(100.0)		(100.0)
Sole parent with				
one child	10.9	(32.1)	10.7	(49.5)
two children	12.7	(37.4)	7.3	(34.0)
three or more children	10.3	(30.3)	3.5	(16.5)
Total (Per cent)	100.0	(100.0)	100.0	(100.0)
Number of families	340		14,494	

The bracketed figures are the proportion of couple and sole-parent families by number of children.

Source: 1991 Census of Population and Housing, unit record tape.

Table 2. Employment status of adults in income unit, Indigenous and non-Indigenous families, 1991.

Income unit type	Indigenous families Number of adults employed Two	One	None	Non-Indigenous families Number of adults employed Two	One	None
Couple with						
one child	47.1	28.6	24.3	55.1	32.2	12.7
two children	42.5	31.5	26.0	54.8	35.8	9.3
three children	38.5	15.4	46.1	47.4	41.2	11.2
four or more children	30.2	34.9	34.9	32.8	44.4	22.9
Sole parent with						
one child		24.3	75.7		49.5	50.5
two children		25.6	74.4		48.8	51.2
three or more children		17.1	82.9		34.7	65.3

Source: 1991 Census of Population and Housing, unit record tape.

Table 2 gives details of the employment status of adults in Indigenous and non-Indigenous families with children. The table shows much higher proportions of Indigenous families than non-Indigenous families with adults not in some form of employment. Roughly 25 to 40 per cent of Indigenous couples with children had neither adult in employment at the time of the 1991 Census compared to between 9 and 23 per cent of non-Indigenous couples with children. The proportion of non-Indigenous couples with both adults employed was also much higher, with Indigenous couples being roughly half as likely to have both parents in some form of employment. Both Indigenous and non-Indigenous sole parents were far more likely again to be jobless; while between 50 and 65 per cent of non-Indigenous sole parents were not in employment, the rate of joblessness among Indigenous sole parents was consistently around 75-80 per cent.

Table 3 shows the Henderson poverty lines for different types of income units at the time of the 1991 Census in August. Most previous analyses using the Henderson Poverty Line have used annual income and poverty lines corresponding to financial year income. However, the income question in the Census was 'what is the gross income (including pensions and/or allowances) that the person usually receives each week from all sources?' (This was asked in respect of all individuals 15 years and over.) While the income ranges given in the census questionnaire were expressed in both weekly and annual terms, this wording seems more likely to produce answers relevant to current rather than annual income. Consequently, it was decided that the most appropriate poverty lines to use would be those for August 1991.

The poverty lines differ for different types of families and by the labour force status of the head of the income unit. Poverty can be calculated on the basis of income before or after housing costs. This analysis only measured poverty before housing costs had been paid, because information on actual housing expenses was not available on the 1991 Census unit record file. The Henderson methodology also provides poverty lines that differ with the age and sex of children and adults; no account was taken of these factors in the analysis. However, the poverty lines also differ depending on whether income units lived separately or shared accommodation and this difference was incorporated into the estimates of poverty.

Apart from the caveats mentioned earlier in regard to the use of the Henderson poverty lines, it should be noted that the poverty line for a particular period can change over time. This is because the poverty lines are adjusted in accordance with movements in household disposable income per capita; household disposable income is derived from the national accounts and is subject to retrospective adjustment as the national accounts are revised. For the reasons discussed in Edwards and Whiteford (1988), these adjustments can be quite large and can potentially increase or decrease estimates of poverty to a significant extent.[5] In the analysis that

follows, estimates are given of the number of income units below 80 per cent, 100 per cent and 120 per cent of the poverty line, so that the results will indicate to some extent the degree of sensitivity to the exact level of the poverty line.

Table 3. Henderson poverty lines, August 1991 (dollars per year).

Income unit type	Employment status of head	
	In workforce	Not in workforce
Couple with:		
one child	$15,900	$14,000
two children	$18,600	$16,700
three children	$21,200	$19,400
four children	$23,900	$22,000
Sole parent with:		
one child	$12,700	$10,800
two children	$15,400	$13,500
three children	$18,000	$16,200
four children	$20,700	$18,800

Each figure is a weighted average of June and September 1991 poverty lines, including housing costs. Weights used are one-third and two-thirds respectively. Dollar values have been rounded to nearest $100 per year.

Source: Institute of Applied Economic and Social Research (1992a, 1992b).

Table 4 summarises the main results of the analysis, showing the proportion of Indigenous and non-Indigenous families with children below differing levels of the poverty line. The results show that approximately 43 per cent of Indigenous families with children had incomes below 100 per cent of the Henderson poverty line in 1991 compared with 15 per cent of non-Indigenous families with children. For couples with children, poverty rates were between two and three times as high for Indigenous families as for non-Indigenous families and while poverty rates increased dramatically with the number of children in the family, the rate of increase for non-Indigenous families was greater than for Indigenous families. Virtually half of all Indigenous children are in families with incomes below the poverty lines compared to around 18 per cent of non-Indigenous children.

Among Indigenous and non-Indigenous families alike, poverty rates for sole parents are generally far higher than among couples with children, even though poverty among Indigenous sole parents is between 10 and 25 percentage points higher than among non-Indigenous sole parents. One possible explanation for this pattern is that sole parenthood is so strongly associated with poverty that Indigenous identity becomes less significant than it is for couples. This may reflect the degree of reliance of sole parents

upon the social security system, suggesting a higher level of reliance upon transfers for Indigenous sole parents.

Table 4. Proportion of income units below the Henderson poverty line, 1991.

Income unit type	Income below 80 per cent of poverty line		Income below 100 per cent of poverty line		Income below 120 per cent of poverty line	
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Couple with						
one child	4.3	2.0	15.7	8.1	30.0	14.9
two children	13.7	3.7	23.3	9.4	39.7	18.9
three children	18.0	4.9	43.6	17.6	51.3	31.1
four/more children	46.5	11.2	74.4	32.5	86.1	54.5
Sole parent with						
one child	24.3	17.6	67.6	46.3	81.1	56.7
two children	58.1	27.8	79.1	57.5	90.7	67.5
three/more children	57.1	46.8	88.6	67.8	94.3	87.5
All families with children (percentage)	27.6	8.5	50.1	20.9	61.5	31.3
Proportion of children (percentage)	34.1	9.8	57.6	22.9	68.5	35.1

Source: Estimated from 1991 Census of Population and Housing, unit record tape.

The results for those with incomes below 120 per cent of the poverty line are of interest for a number of reasons. It can be seen that 61.5 per cent, or nearly two in three, Indigenous families with children are in circumstances of 'near poverty'. Among Indigenous sole parents with two or more children, 'near poverty' is close to universal, although it should be noted that it is also nearly as pervasive among non-Indigenous sole parents with three or more children. As poverty rates increase with the size of the family, the proportion of Indigenous children in poverty is even higher than the proportion of Indigenous families in poverty – more than two-thirds (68.5 per cent) of Indigenous children are in families with incomes below 120 per cent of the poverty line.

Part of the explanation for these results may be inferred from the results in Table 5, which describes the relationship between poverty rates and the employment status of adults. Probably the most important point to note about this table relates to the difference in poverty rates between those families (either couples or sole parents) where no parent is employed, those where one parent is employed and those were both parents are employed. Previous analysis suggests that poverty rates are low among income units

containing fully employed wage and salary earners (Bradbury et al. 1988). This conclusion is supported by the current study in regard to non-Indigenous families but not for Indigenous families. Broadly speaking, where there are no adults employed, Indigenous identification does not appear to make a significant difference to poverty rates; indeed, for couples, poverty rates are slightly higher for non-Indigenous families than for Indigenous families. For sole parents, poverty rates among the non-employed are higher for Indigenous individuals than for non-Indigenous individuals. This may possibly reflect greater access to unearned income (for example, maintenance) among the non-Indigenous sole-parent population. These results are clearly explicable in terms of the reliance on the social security system that such families must experience, irrespective of their origin. However, where there is either one or both adults employed, Indigenous families appear significantly disadvantaged compared to non-Indigenous families. This may reflect a number of factors, including the differences between full-time and part-time labour force participation (and/or full-year and part-year participation), and differences in wage rates. Which of these factors is more significant is an issue that would reward further study.

Table 5. Estimates of poverty among Indigenous and non-Indigenous families with children, by employment status of adults, 1991.

Type of family by employment status of adults	Poverty rate by percentage of poverty line					
	Indigenous families			Non-Indigenous families		
	80	100	120	80	100	120
Couple with children, both adults employed	1.8	8.8	17.5	0.7	1.7	3.5
Couple with children, one adult employed	6.5	23.7	45.2	0.9	5.5	20.0
Couple with children, no adults employed	26.7	52.3	76.7	23.4	54.1	78.4
Sole parent, employed	8.0	28.0	56.0	6.4	14.7	26.2
Sole parent, not employed	33.0	73.2	93.8	25.0	59.4	93.5

Source: Estimated from 1991 Census of Population and Housing, unit record tape.

Comparison with 1986

These results are very similar to those from the 1986 Census. The main results of this analysis are compared in Table 6 (Indigenous families) and Table 7 (non-Indigenous families) with those from the Ross and Whiteford's (1990) analysis of 1986 Census data. The same general conclusions that applied in 1986 are unchanged for 1991. The incidence of

income poverty is far worse among Indigenous families than among other Australian families, although the gap is much less for sole-parent families than it is for two-parent families. Although the broad picture is the same as for 1986, there have been some variations over this period which can be discerned from Tables 6 and 7.

Table 6 indicates that poverty has increased among Indigenous two-parent families. The first four rows of the final two columns of Table 6 show that among two-parent families the proportion who are in or near poverty increased between 1986 and 1991 for all families except those with three children, for whom the decrease was very slight (from 33.8 per cent to 31.1 per cent). The increase in income poverty rates was the same for families with two children as it was for families with four or more children (both increased by 6 percentage points) while the increase for small families was very slight at just over 1 percentage point.

Table 6. Comparison of proportion of Indigenous income units below the Henderson poverty line, 1986 and 1991.

Income unit type	Income below 80 per cent of poverty line		Income below 100 per cent of poverty line		Income below 120 per cent of poverty line	
	1986	1991	1986	1991	1986	1991
Couple with:						
one child	6.8	4.3	12.2	15.7	33.8	30.0
two children	5.2	13.7	27.3	23.3	44.2	39.7
three children	19.6	18.0	50.0	43.6	67.4	51.3
four or more children	30.8	46.5	48.7	74.4	71.8	86.1
Sole parent with:						
one child	34.3	24.3	46.3	67.6	77.6	81.1
two children	15.9	58.1	77.3	79.1	95.5	90.7
three or more children	34.6	57.1	92.3	88.6	96.2	94.3

Source: 1986 figures are from Table 5 in Ross and Whiteford (1992); 1991 figures are from Table 4 above.

The results for sole-parent Indigenous families are more encouraging. The last three rows of the final two columns of Table 6 indicate that income poverty has declined, albeit by only around 3 to 5 percentage points, for all bar the smallest families, for whom there appears to have been a slight increase of about 4 percentage points.

Nevertheless, these changes must be regarded as small and the overall levels of income poverty remain high, with the great majority of

Indigenous sole-parent families and larger two-parent families still having incomes which keep them in, or near, poverty.

Table 7. Comparison of proportion of non-Indigenous income units below the Henderson poverty line, 1986 and 1991.

Income unit type	Income below 80 per cent of poverty line 1986	1991	Income below 100 per cent of poverty line 1986	1991	Income below 120 per cent of poverty line 1986	1991
Couple with:						
one child	2.4	2.0	3.6	8.1	13.6	14.9
two children	1.9	3.7	8.0	9.4	12.8	18.9
three children	2.4	4.9	14.2	17.6	33.8	31.1
four or more children	16.7	11.2	25.1	32.5	47.6	54.5
Sole parent with:						
one child	14.2	17.6	25.8	46.3	58.1	56.7
two children	13.5	27.8	51.0	57.5	73.5	67.5
three or more children	40.8	46.8	82.1	67.8	86.2	87.5

Source: 1986 figures are from Table 5 in Ross and Whiteford (1992); 1991 figures are from Table 4 above.

Policy implications

The analysis in this paper has been primarily descriptive. Its main objective has been to provide the first estimates of the proportion of the Indigenous population with children with incomes below the Henderson poverty line since the reports of the Commission of Inquiry into Poverty in the 1970s. As might have been expected, the results suggest that poverty rates are much higher among Indigenous families than among non-Indigenous families with children, with more than 40 per cent of Indigenous families with children living on or below the Henderson poverty line and nearly two-thirds being 'poor' or 'rather poor'. These poverty rates are generally two to three times as high as for the non-Indigenous population.

On the basis of the earlier tables, it can be estimated that while the Indigenous population accounted for only 1.6 per cent of the total population in 1991, Indigenous children accounted for 2.7 per cent of all children and 7.1 per cent of children in poverty. Nearly half of all Indigenous children are in families with incomes below the poverty line and two-thirds are in poverty or near poverty. The development of further approaches to reduce child poverty should therefore pay particular attention to improving the circumstances of Indigenous families with children.

Vulnerability to poverty in Indigenous families with children seems to be associated with a number of factors. There is a far higher proportion of children in the Indigenous population than the population as a whole and the proportion of Indigenous children who are in sole-parent families or in large families is much higher than in the non-Indigenous population. The most important factor, however, appears to be the employment status of adults; where no adults in a family are employed, then the poverty rates are similar (and very high) for both Indigenous families and non-Indigenous families. This suggests that the much higher rates of poverty among Indigenous families can be related to the fact that joblessness is much higher in this group, with more than 50 per cent of Indigenous families with children not containing an employed adult, compared to less than 20 per cent of non-Indigenous families.

While joblessness would therefore appear to be the most significant factor associated with Indigenous poverty, poverty rates for Indigenous families with children remain high even where there is an adult in employment. Possible explanations for this include greater labour force participation among non-Indigenous families, either because of greater likelihood of two-earner families or because of the greater prevalence of full-time rather than part-time labour force participation. Another possible explanation is that wage rates for employed Indigenous persons are lower than those for other employed Australians. Finally, some tentative evidence suggested that overall poverty rates may have declined significantly among the Indigenous population since the early 1970s, particularly among couples with children. Indigenous sole parents, however, appear to have remained overwhelmingly in poverty.

The limitations of this analysis should be emphasised once again. The methodology used to derive income data from the 1990-91 Income and Housing Costs and Amenities Survey to adjust the less detailed data in the 1991 Census must be regarded as still experimental and the results are more approximate estimates than those usually derived in work of this sort. Nevertheless, the methodology is of particular interest as a means of improving the usefulness and applicability of census income data. The other main limitation arises from the basic concepts underlying the Henderson poverty line, including whether the Henderson assumptions about income-sharing units are relevant to the Indigenous population. The finding that income poverty is so much higher among the Indigenous population may suggest, however, that this problem would not affect the magnitude of the disadvantage experienced by Indigenous families.

It should also be emphasised that the estimates presented in this paper refer to 1986 and 1991. Whether the number of Indigenous families below the Henderson poverty line has fallen significantly since 1991 cannot be said with precision but it is possible that the poverty gap is continuing to be reduced. Given the questions surrounding the relevance of an income

poverty line, it might also be suggested that the poverty gap may be a far more useful approach to measuring Indigenous poverty than the simple head count approach used both in this paper and in Ross and Whiteford (1992).

In addition, the estimates of poverty given here suggest that, while improvements in income support may mean that many Indigenous families move above the poverty line, they are still remaining 'rather poor' as their incomes are within 20 per cent of poverty line. These improvements in family payments remain very important and represent a heartening indication of government commitment to address the problem of child poverty. Nevertheless, the estimates in this paper indicate that low income is a symptom of poverty rather than a fundamental cause. The fundamental cause of poverty continues to be the lack of meaningful employment. It is the amelioration of this lack of employment prospects which must continue to be the focus of policy if poverty is to be permanently reduced and not just alleviated.

Notes

1. A very good description of the development of these policies can be found in Altman (1991).

2. There are 12 other categories of higher incomes.

3. The 1991 Census of Population and Housing unit record tape contains a sample of 1 per cent of the total population and includes 3,480 individuals living in Indigenous households, although 867 of these individuals were identified as non-Indigenous.

4. In common with most previous studies using the Henderson poverty line, income units in which there was a self-employed person were excluded from the analysis, because of the possibility that measured income may not necessarily be an accurate indicator of living standards for this group.

5. The poverty lines shown in Table 3 are derived from estimates of June quarter 1991 household disposable income per capita published in February 1995. While the household disposable income per capita estimate for the June quarter 1991 has since been revised, the size of the revision is not large.

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