



## Income support recipients at June 1999

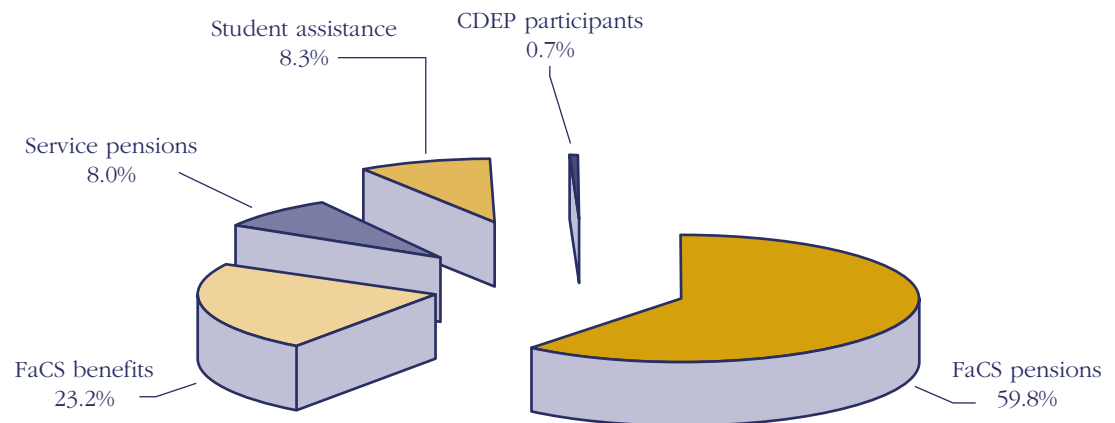
### Numbers receiving payment

At June 1999, there were 4 759 352 recipients of income support<sup>1</sup> payments, comprising (see Figure1):

- 2 845 593 receiving Department of Family and Community Services (FaCS) pensions;
- 1 103 115 receiving FaCS benefits (allowances) other than students;
- 382 287 receiving service pensions;
- 396 390 receiving student assistance; and
- 31 967 Community Development Employment Projects (CDEP) recipients.

At June 1999, 31.6 per cent of Australians 15 years or more received income support payments

**Figure 1: Income support recipients at 30 June 1999**



The number of income support payment recipients at June 1999 represented 31.6 per cent of the population aged 15 years or more.

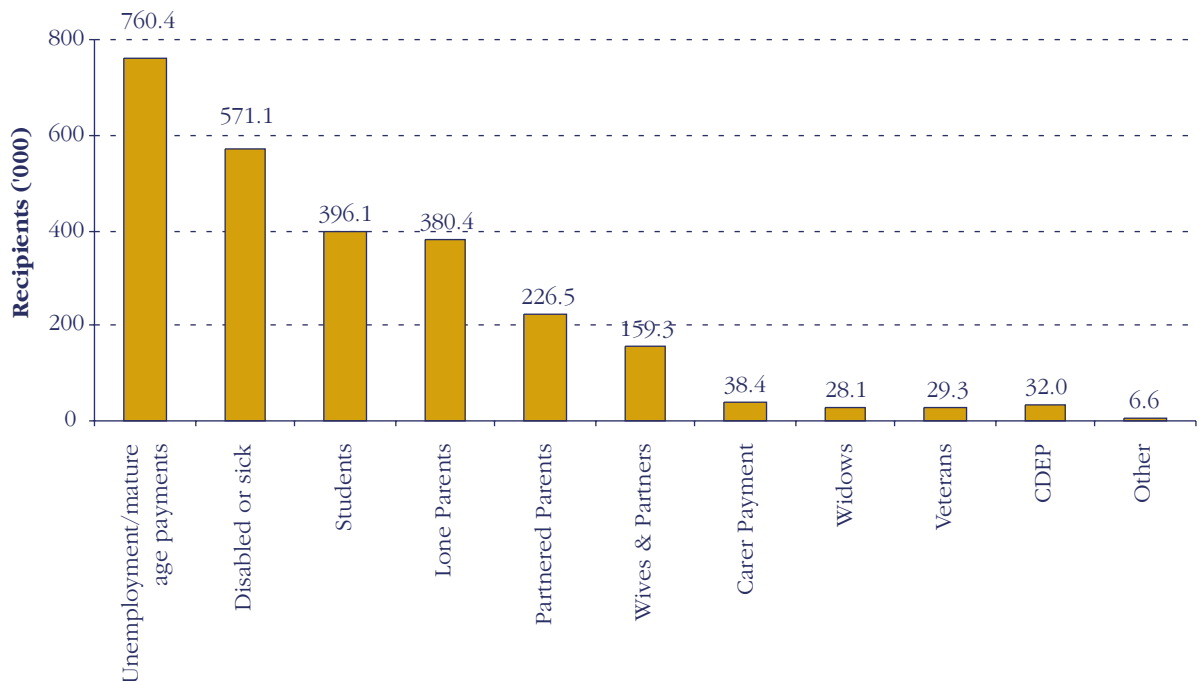
Of these, around 2 131 600 (or about 45 per cent of recipients) were above workforce age<sup>2</sup>, most of them receiving Age Pension or Service Pension. This represents 78.9 per cent of the population of Age Pension age<sup>3</sup> group (compared to 78.5 per cent at June 1998).

## Workforce-age recipients<sup>4</sup>

At June 1999, there were an estimated 2 628 000 income support recipients of workforce age, (representing approximately 21.3 per cent of the population of workforce age) (see Figure 2). Of these recipients:

- the unemployed comprised 28.8 per cent (including the temporarily incapacitated and people receiving Mature Age Allowances);
- those receiving Disability Support Pension or Sickness Allowance comprised 21.9 per cent;
- students comprised 15.1 per cent;
- those receiving Parenting Payment comprised 23.3 per cent, lone parents being 14.6 per cent and partnered parents 8.7 per cent;
- the wives of Age and Disability Support Pensioners, along with the older partners of other pensioners and allowees, comprised 5.9 per cent;
- recipients of Carer Payment represented 1.5 per cent and widows 1.1 per cent;
- there were approximately 28 000 veterans of workforce age receiving payment, representing 1.1 per cent of workforce age recipients; and
- the remaining 1.3 per cent received CDEP (1.2 per cent), or Special Benefit (0.1 per cent) or a disaster relief payment. Most recipients of Special Benefit do not meet the residence requirements of other workforce-age payments.

**Figure 2: Workforce age recipients by payment type, June 1999**



## Patterns of receipt by age and gender

There are important differences in receipt of payments by gender. Women are slightly more likely to receive income support at all ages (as shown by comparing Figures 3 and 4). At June 1999, about 58 per cent of income support recipients were women. There are a number of reasons for this.

Women are slightly more likely to receive income support at all ages

- Pension age is lower for women than for men. At June 1999 the qualifying age of Age Pension for women was 61 while 65 for men. The qualifying age for women is being gradually increased to age 65 by year 2014.

- The average age of women is older. There are more women than men aged over 65 years.
- In general, women have lower income and smaller assets.

Among men and women of workforce age, overall rates of receipt follow a similar pattern with age. An initial high rate of receipt among young people (over 30 per cent at age 16—mainly students) falls away to a lower rate of receipt by age 45 (under 20 per cent for women and around 15 per cent for men). Then it rises sharply to peak around 60 per cent for women 61 years of age and for men 64 years of age. The proportion of people receiving income support increases markedly from 19 per cent at age 51, reaching 37 per cent by age 59 and 83 per cent by age 69.

The pattern of income support receipt is similar for men and women of workforce age

However, a comparison of Figures 3 and 4 shows quite different patterns of incidence of different payments among men and women.

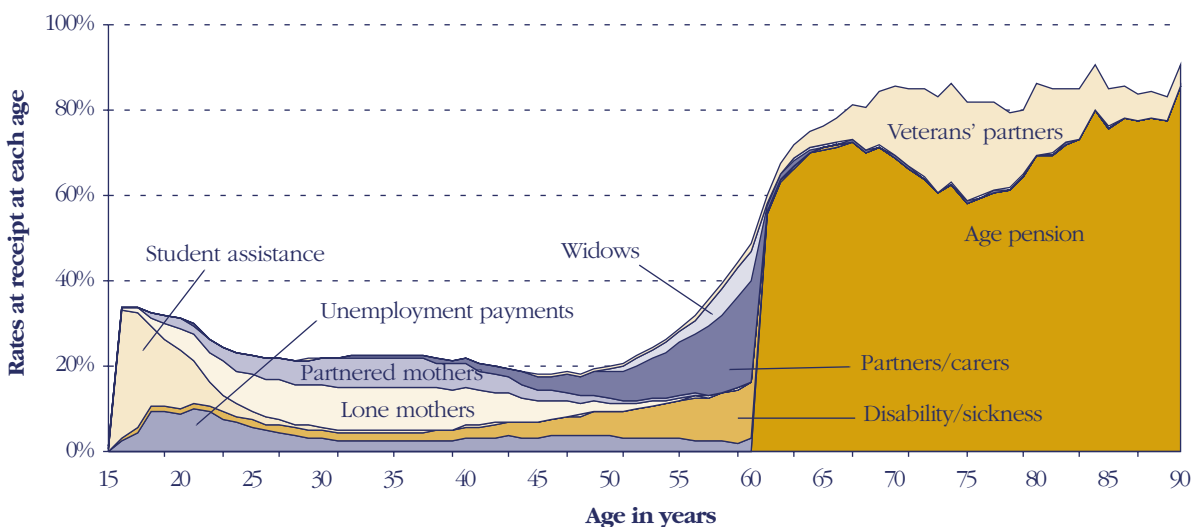
- A larger percentage of men received disability or sickness payments (31 per cent), compared to 13 per cent for women. The rate of receipt among men increases rapidly with age (for men over 40 years) compared to that for women.
- Of male recipients, 47 per cent receive unemployment payments, compared to 17 per cent of women. Rates of receipt of unemployment payments peak around age 22 (about 13 per cent for men and 10 per cent for women) and level off with increasing age. However, for men there is a steady rise for ages above 60 years.
- By contrast, over half (52 per cent) of female recipients are paid income support payments as parents or partners (25 per cent as lone parents, 15 per cent partnered parents and 12 per cent partners), compared to only 6 per cent of men. The majority of women receiving parenting payments are aged 23 to 45, while women receiving partner payments are aged 46 to 59.

The lower rates of receipt of unemployment payments by women appear to be more than compensated for by their higher rates of receiving parenting and partner payments. Women on these payments are living in low-income families and raising children or caring for their partners, significantly reducing their reliance on unemployment or disability payments.

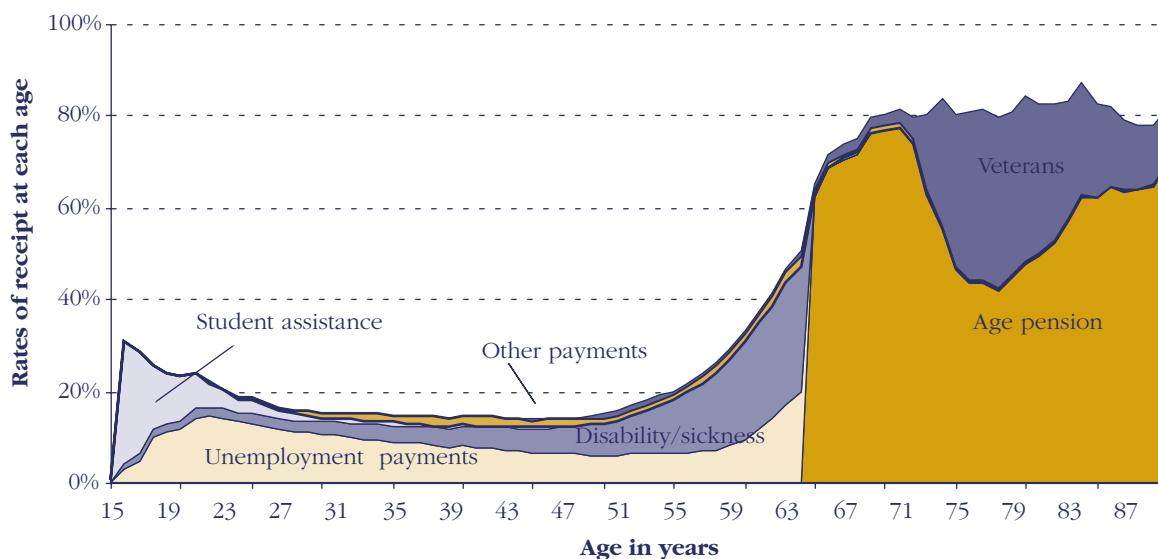
Women are less likely to receive unemployment payments but more likely to receive parenting and partner payments

These estimates of coverage are calculated as rates of receipt by comparing the total number of income support recipients to the total population. To some extent, this will give an exaggerated picture of levels of reliance on income support, as it will treat part-rate pensioners as the same as persons with no other income apart from government cash benefits.

**Figure 3: Women - Rates of receipt of income support by age and payment type, June 1999**



**Figure 4: Men - Rates of receipt of income support by age and payment type June 1999**



## NOTES

- 1 Income support is a primary payment to ensure an adequate standard of living, such as a pension, allowance or student assistance.
- 2 Workforce age is defined as between the ages of 15 and 64 years for men and between the ages of 15 and 59 years for women.
- 3 Age Pension age is defined as age 65 and over for men, and age 61 and over for women at June 1999. The qualifying age for women is being gradually increased to 65 years between 1 July 1995 and 2014.
- 4 People of workforce age comprise men aged 15 to 64 years and women aged 15 to 59 years.

This FaCS Sheet was prepared by Kim Bond and Jie Wang.

The number of recipients are from *A Statistical Overview of FaCS Income Support Customers (1999)*, the estimated figures of service pension, student assistance and CDEP are from the Department of Veterans' Affairs, Department of Education, Training and Youth Affairs and Aboriginal and Torres Strait Islander Commission. The Figures 1 to 4 are drawn from FaCS 2001, 'Income support and related statistics: a 10 year compendium, 1989-99', *Occasional Paper No. 1*, January.

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