

Indigenous Families and Households in a Time of Welfare Reform

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Abstract

While there are difficulties in comparing results over time based on self-identification of Indigenous status in the Population Census, published data from the 2001 Census on Indigenous families and households confirm the findings of earlier Censuses. Indigenous families and households are larger than other Australian families and they have lower incomes. Indigenous families are more likely to be sole parent families and less likely to be couple only families without children. In 2000/1, the proportion of Indigenous families with dependents on Parenting Payment Single (PPS) was twice the proportion of other Australian families. The current debate on welfare reform is therefore likely to impact particularly on these families

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The economic disadvantage of Indigenous families and their households has been highlighted in earlier ethnographic and Census-based research (Daly and Smith 1996, Smith 2000). This paper up-dates some of the earlier findings using data from the 2001 Population Census and considers the results in the context of the current debate on welfare reform. The focus here will be on families and therefore on family-related welfare payments particularly Parenting Payment Single (PPS) but there are a range of welfare payments that provide the major source of income for many Indigenous adults. Reform of the welfare system therefore has wider implications for the economic well-being of Indigenous families and households than will be discussed here (see for example Morphy and Sanders (2001) for papers on the relationship between the Community Development Employment Projects (CDEP) scheme and the welfare system).

Indigenous Families and Households, Census results

Since 1971, Australians have been given the option in the Population Census of identifying themselves as 'Aboriginal' or 'Torres Strait Islander' and since 1996, they have been able to choose the option of 'both'. There has been a dramatic increase in the size of the Indigenous population over this period that can only be explained by an increased willingness of people of Indigenous background to identify themselves as such, and by improved collection methods used by the Australian Bureau of Statistics (ABS) for the Census in remote Australia. This makes comparisons of changes over time very difficult as the characteristics of the underlying population may well have changed. Those identifying themselves as Indigenous in 2001 for the first time may be quite different from those who identified themselves as such in 1991. Comparisons between the 1991 and 1996 Census results suggest that the new identifiers did not differ substantially in certain measurable ways from those already identifying (Hunter) but an analysis of the change between 1996 and 2001 has yet to be undertaken. The problems associated with relying on data from self-identification must therefore be remembered in the following discussion.

The ABS defines a 'household' in the Census as a 'group of two or more related or unrelated people who usually reside in the same dwelling, who regard themselves as a household, and who make common provision for food or other essentials for living; or a person living in a dwelling who makes provision for his/her own food and other essentials for living, without combining with any other person' (ABS 2001: 209). People living in the same dwelling can therefore be classified as belonging to separate households. In the context of Indigenous households, this definition can be difficult to apply where people are living in improvised dwellings, sharing resources across dwellings and are highly mobile. This latter characteristic of many Indigenous people makes the ABS definitions of 'usual resident' and 'visitor' hard to apply (Daly and Smith 2000, Martin, D., F. Morphy, W. Sanders and J. Taylor (2002)

The ABS defines a 'family' as 'two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household' (ABS 2001:202). This definition of family takes as its basis the concept of a nuclear family of parents and

children and other individuals in a household are located in relation to this primary concept of a family. An extended family living in a household is therefore thought of as a number of families rather than one large extended family. It is now well recognised that these definitions cannot be easily applied to the living arrangements of many Indigenous Australians (Daly and Smith 1996, Finlayson, Daly and Smith (2000), Musharbesh (2000), Daly, Henry and Smith (2002), Martin, Morphy, Sanders and Taylor (2002)). While the Census has the advantage of enabling comparisons at a national level between Indigenous and other Australians, it is important to recognise that an ABS classification structure of households and families has been imposed on Indigenous society that only partially reflects the reality on the ground. Martin, Morphy, Sanders and Taylor (2002), for example, present evidence from the enumeration of remote Indigenous communities in the 2001 Census and highlight some of the significant difficulties faced in applying the ABS definitions of ‘household’ and ‘family’ in these contexts. Despite these reservations, many of the nationally aggregate comparisons based on Census data are consistent with the case study evidence produced by ethnographic research (see for example, Smith 2000) and therefore worth reporting.

According to the 2001 Census, the median Indigenous household (defined as a household containing an Indigenous adult) had 3.4 persons compared to 2.6 persons in other Australian households. These Indigenous households were more likely to contain more than one family reflecting the importance of extended families highlighted in the ethnographic literature (see Table 1). The economic disadvantage of Indigenous households continues. The median weekly income was 81 per cent of that of other Australian households although once the larger number of residents was taken into account the ratio of income per person in an Indigenous household to that of other Australian households fell to 0.62 (see Table 2). This unfavourable result is nevertheless an improvement from the ratio estimated for 1996 of 0.54 (Daly and Smith 1999).

Table 1: Percentage of multi-family households among all families in Indigenous and non-Indigenous households, 1991-2001.

	Indigenous households Per cent	Non-Indigenous households
1991	6.0	0.9
1996	7.2	1.4
2001	6.1	1.3

Source: Daly and Smith (1999), ABS Population Census 2001

Families within these households appear also to have raised their relative economic status although the median income of an Indigenous Australian family remained 24 per cent below that of other families (see Table 3). In 1996 it was estimated to be 31 per cent below that of other Australian families (Daly and Smith 1999). This was despite the larger number of people in the average Indigenous family (3.6 persons compared with 3 in other Australian families).

Table 2: Median weekly income (2001 dollars) of indigenous and non-indigenous Australian households

	Indigenous	Non-Indigenous	Ratio
1991	591	710	0.83
1996	603	706	0.85
2001	629	780	0.81
Median household income/median no. in household 2001	185	300	0.62

Source: Daly and Smith (1999), ABS Population Census 2001

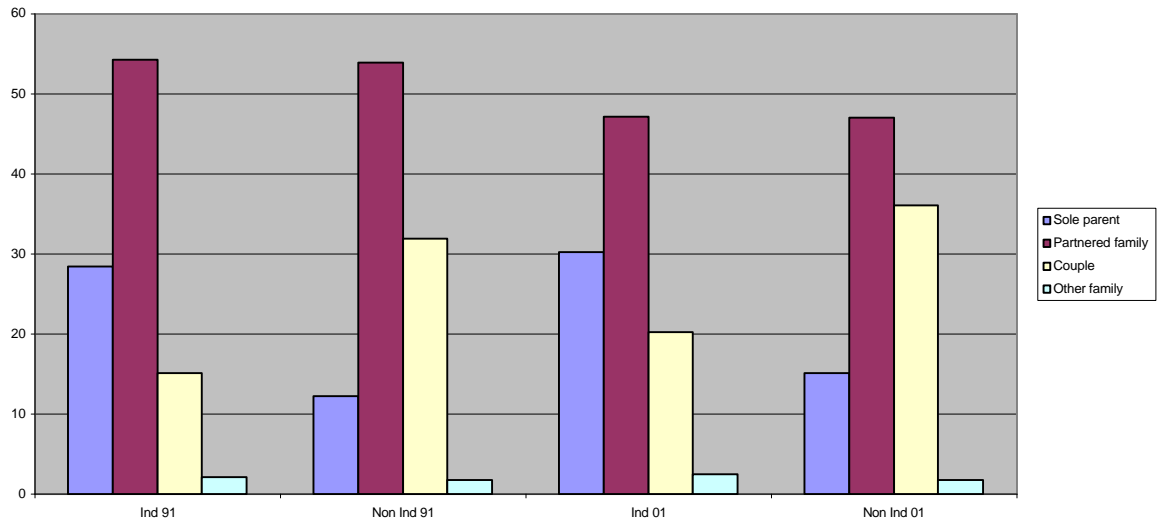
Table 3: Median weekly income (2001 dollars) of indigenous and non-indigenous Australian families

	Indigenous	Non-Indigenous	Ratio
1991	561	844	0.67
1996	571	829	0.69
2001	629	826	0.76

Source: Daly and Smith (1999), ABS Population Census 2001

Figure 1 shows a breakdown by family type for Indigenous and other Australian families in 1991 and 2001. The share of sole parent families among Indigenous families was twice as large as among other Australian families although the difference declined over the decade. The share of couple only families increased among both Indigenous and non-Indigenous families. Couples without children accounted for over a third of non-Indigenous families but only a fifth of Indigenous ones. Less than half the families recorded in the 2001 Census were couple families with children highlighting the changing nature of the Australian family.

Figure 1: Distribution of Family Types, 1991-2001



At a time of community debate over the role of the welfare system in Australia, it is important to consider who is likely to be affected most by these reforms. Here we will focus on Parenting Payment Single (PPS) as the most directly family-focussed payment affecting children although changes to other welfare benefits such as NewStart and Carers Pension have obvious implications for families. A tightening of the rules governing eligibility for PPS was introduced under the policy Australians Working Together (Department of Family and Community Services 2001). Under this program, recipients of PPS are required to attend an annual interview once their youngest child is six years of age to discuss their plans and prospects of returning to work. Once the youngest child is thirteen years of age, the parent is required to undertake part-time paid work, unpaid community work, study or training for six hours per week. Table 4 presents an estimate based on combining Census data with Centrelink administrative data of the proportion of families likely to be affected by these changes. According to these estimates, about a third of Indigenous families with dependents are receiving PPS, over twice the share of other Australian families. Any welfare reform could therefore be expected to have important implications for Indigenous families.

Conclusion

The data presented here confirm earlier Census findings that Indigenous families and households have lower incomes than their counterparts among other Australians. These estimates do however show some improvement in their relative position. This result needs further research and confirmation from other sources because of the problems associated with self-identification. There was a large increase recorded in the Indigenous population of Australia between 1996 and 2001 and those identifying as Indigenous for the first time in 2001 may differ in significant respects from those who did in earlier

Table 4: Share of families with dependents receiving PPS, 2000/1

	Indigenous	Non-Indigenous
Families with dependents ^a	69,843	2,364,248
Families on PPS ^b	23,145	387,544
Share of families with dependents on PPS	33.1	16.4

Source: ABS Population Census 2001, Daly and Smith 2002.

Notes a. Dependents include children under 15 years of age and dependent students aged 15-24 years.

b. These figures relate to 2000. When applying for income support, people are given the option of identifying as Indigenous. The numbers recorded as Indigenous income support recipients will therefore depend on peoples' choice to identify as such and the inclusion of this information in administrative data. People may make different choices about identifying themselves as Indigenous when applying for income support compared to filling in the Census.

Censuses. If in fact the incomes of Indigenous families and households are rising, it is important to understand the sources of this positive outcome.

The ABS definitions of family and household have been shown to fit uncomfortably with Indigenous culture in remote and rural communities. The relatively large share of sole parent families shown in the Census may in fact disguise the circumstances of these sole parents. Rather than living alone with their children, these sole parents are likely to be part of an extended family network that may encompass a number of households. This creates both advantages and disadvantages for this group compared with other Australian sole parents.

The high level of welfare dependence among Indigenous families with dependents is a cause for concern particularly in its inter-generational effect on children. Reliance on income support is associated with low incomes; evidence from the wider community shows a close correlation between a lack of paid employment and low family incomes (Harding and Richardson 1999, Harding, Lloyd and Greenwell 2002). It is important that policies are directed toward breaking the cycle of welfare dependence and promoting opportunities for Indigenous people to raise their standard of living. We have discussed these issues in more detail elsewhere (Daly and Smith 2002, Daly, Henry and Smith 2002)

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