

“Churn” within the Australian tax and transfer systems of 2003/04 to 2008/09

An analysis using the Melbourne Institute Tax and Transfer Simulator (MITTS)

by

Hielke Buddelmeyer, Nicolas Hérault and Guyonne Kalb

*Melbourne Institute of Applied Economic and Social Research,
University of Melbourne*

September 2008

Introduction

The main aim of the analyses is to examine the “churn” of tax and transfer at a micro level, where “churn” is defined as individuals paying income tax while at the same time also receiving income support payments. The Melbourne Institute Tax and Transfer Simulator (MITTS) is used, based on updated information from the Survey of Income and Housing Costs (SIHC) from 2003/2004.¹ The update does not take into account that the composition and size of the population has slightly changed from 2003/2004 to 2008/2009 or any employment changes that may have occurred during this period.

Caveats

We use the July 2008 tax and social security system to calculate net incomes from gross income.² The figures in the tables presented in this report are *estimates* and are not based on actual tax return data. Furthermore, the data is collected at one point in time. Our data thus describes churning at a given moment in time.

Furthermore, there are several issues related to churning that are not discussed. In addition to the timing issues linked to using point-in-time data, the treatment of individuals within couples can also be important. If the husband earns income and the spouse receives Family Tax Benefits, one could argue that this is a different form of churn than the churn a single parent experiences when she herself is simultaneously paying income tax and receiving government assistance. Throughout this report we consider the income unit as the unit of analysis on which to determine churn, without considering the distribution between individuals within the income unit.

Definitions

Income unit decile is defined by calculating income unit net income and by equivalising this income with the Whiteford equivalence scale (this means we take into account the size of the family and economies of scale of larger families). We count the first person as 1, the second and subsequent adults each as 0.56 and any children are each counted as 0.32. These equivalised income unit incomes are then ranked, so that the first decile contains the bottom 10 per cent of income units according to net income and the last decile contains the top 10 per cent of income units. An income unit consists of partnered/single adults with their dependent children. Independent children form their own income unit even if they live with their parents.

¹ We update non-labour incomes using the Consumer Price Index (CPI) from the Australian Bureau of Statistics (ABS) and male and female earnings using the male and female wage indices, derived from average weekly earnings as reported quarterly by the ABS. Note that the wage indices do not allow for different rates of increase in lower versus higher wages. Incomes are updated to the third quarter of 2008. For the last two quarters of the wage indices and the last quarter of the CPI, we use predictions by Treasury as reported in the *Mid-Year Economic and Fiscal Outlook* for the 2007-08 financial year.

² For a few types of rebate and the threshold incomes of the Medicare levy, information on 2008/2009 amounts and thresholds are not available, for these we use 2007/2008 information. Unless a (so far unannounced) policy change is introduced, the 2008/2009 amounts for these will be close to the 2007/2008 amounts. For 2003/04 we use the January 2004 tax and social security system. For 2006/07 we use the July 2006 tax and social security system.

Results

First, an overview of the extent of churning is presented in two tables. The first table presents the median of taxes (including the Medicare levy and net of rebates) paid, the median of income support received (split by family payments and pensions/allowances), and the median of the difference between tax and income support by income unit income decile and by family type. The second table presents the means instead of the medians, since that provides an additional perspective. For both means and medians we also report conditional versions, i.e. conditional on being a recipient.

Table 1 shows that the median of family payments is 0 for all deciles, indicating that less than half of the income units receive any family payment independent of the income decile. As expected, families with more children receive more family payment. For couple families, the increase in median family payments for an additional child is more than proportional, whereas for single parents it is less than proportional. However, the median for single parents is more than double the median for couple families.

The median of other income support is highest for the second and third income decile. The first income decile probably contains those income support recipients with lower levels of income support. Single women and single parents have higher medians of other income support than couple families and single men.

As expected, the lower deciles generate negative median government revenue with the second and third deciles having the largest negative median values. Median values are negative for single women and single parents with the largest negative value observed for single parents with 3 or more children, and positive for all other groups with the largest positive value observed for couples with 1 child.

The mean values presented in Table 2 tell a similar story, but provide somewhat more information in those cases where the median value was \$0. Family payments are highest on average in income decile 4, and they decrease steadily for lower income deciles and for higher income deciles. Again, average family payments are higher for single parents than for couple families, and they increase (close to proportional) with the number of children. The patterns of mean income support are very similar to the patterns for median income support. The average contribution to government revenue is highest for couples with 2 children and it is largest negative for single parents with 3 or more children. Again single women and single parents are observed to have negative average contributions to government revenue.

Overall the mean values of the government revenue are less negative than the median values for families with children and single women, which means that the distribution of government revenue is skewed towards lower values. The opposite is true for single men and couples without children.

Similar tables for earlier years (2003/04 and 2006/07) are presented in the Appendix (Tables A.8 to A.11).

Table 1 Median of income tax, family payments and other income support by income unit decile and family type based on weighted data (conditional medians are computed conditional on receiving payments): FY 08/09

Income unit decile (and cut-off points)	Number of income units (incl. Medicare and rebates) (in '000s)	Median of income taxes (incl. Medicare and rebates)	Median of family payments	Median of pensions / allowances	Median of all income support	Median of the difference (tax - inc. supp.)	Conditional Median of family payments	Conditional Median of pensions / allowances	Conditional Median of all income support
1	1,038	0	0	11,365	11,365	-11,365	10,815	11,365	11,365
2 (\$14,368)	913	0	0	14,217	14,217	-14,217	11,939	14,217	14,217
3 (\$16,169)	976	0	0	14,217	14,654	-14,217	11,939	14,217	18,897
4 (\$19,531)	975	1,549	0	4,193	12,364	-9,856	11,939	12,241	14,848
5 (\$24,267)	975	3,297	0	0	5,639	2,459	8,427	9,193	9,489
6 (\$29,489)	976	5,424	0	0	0	4,966	6,106	4,311	5,816
7 (\$34,505)	975	8,616	0	0	0	8,365	3,577	3,544	3,694
8 (\$39,900)	975	12,252	0	0	0	12,044	1,945	5,057	2,267
9 (\$46,954)	975	18,401	0	0	0	18,126	2,675	8,965	2,895
10 (\$58,589)	975	34,867	0	0	0	34,744	843	11,289	3,694
Family type									
single men	2,307	3,177	0	0	0	3,163	0	11,365	11,365
single women	2,155	336	0	4,549	4,549	-3,714	0	14,217	14,217
couples without child	2,605	7,339	0	0	0	6,915	0	22,131	22,131
couples with 1 child	731	15,617	1,512	0	1,945	13,076	4,536	9,163	4,621
couples with 2 children	914	16,670	3,891	0	3,891	12,053	6,162	8,563	6,566
couples with >2 children	479	15,476	8,187	0	8,782	7,059	10,643	6,772	11,453
singles with 1 child	295	809	7,307	7,596	14,217	-13,103	7,307	12,293	16,051
singles with 2 children	190	0	12,958	12,293	25,355	-25,290	12,958	14,217	25,290
singles with >2 children	77	0	18,027	14,217	32,076	-32,076	18,027	14,217	32,076
ALL	9,754	5,185	0	0	1,945	3,271	7,307	14,217	13,551

Note: The first decile contains more income units than the other deciles because there are many income units with a net income per adult equivalent equal to the cut-off point of \$14,368.

Table 2 Mean of income tax, family payments and other income support by income unit decile and family type based on weighted data (conditional means are computed conditional on receiving payments): FY 08/09

Income unit decile (and cut-off points)	Number of income units (incl. Medicare and rebates) (in '000s)	Mean of income taxes (incl. Medicare and rebates)	Mean of family payments	Mean of pensions / allowances	Mean of all income support	Mean of the difference (tax - inc. supp.)	Conditional Mean of family payments	Conditional Mean of pensions / allowances	Conditional Mean of all income support
1	1,038	2	251	10,739	10,990	-10,988	12,168	11,166	11,433
2 (\$14,368)	913	13	955	16,693	17,648	-17,635	11,585	17,367	18,336
3 (\$16,169)	976	189	3,011	14,390	17,401	-17,212	11,816	15,650	18,888
4 (\$19,531)	975	2,250	4,337	7,884	12,221	-9,971	12,211	12,330	15,640
5 (\$24,267)	976	5,331	3,268	3,537	6,805	-1,474	8,886	10,668	11,385
6 (\$29,489)	975	7,889	2,080	1,519	3,599	4,291	6,354	6,981	7,290
7 (\$34,505)	975	11,872	1,285	511	1,796	10,076	3,789	7,316	4,606
8 (\$39,900)	976	15,288	395	481	876	14,412	2,666	11,080	4,855
9 (\$46,954)	975	22,097	157	207	364	21,733	2,927	9,979	5,155
10 (\$58,589)	975	47,815	41	180	221	47,594	2,327	11,383	7,158
Family type									
single men	2,307	6,870	0	4,040	4,040	2,830	0	10,678	10,678
single women	2,155	4,254	0	6,556	6,556	-2,302	0	11,796	11,796
couples without child	2,605	13,459	0	8,049	8,049	5,409	0	18,380	18,380
couples with 1 child	731	20,897	2,424	2,352	4,776	16,120	4,444	12,056	7,797
couples with 2 children	914	23,456	4,676	2,154	6,830	16,625	6,641	11,459	9,325
couples with >2 children	479	22,298	8,801	2,524	11,325	10,973	11,086	10,472	14,045
singles with 1 child	295	4,928	5,841	7,774	13,616	-8,688	7,406	10,703	14,490
singles with 2 children	190	4,186	10,866	9,683	20,548	-16,363	11,372	12,002	20,725
singles with >2 children	77	2,887	16,815	12,257	29,072	-26,185	17,145	13,367	29,064
ALL	9,754	11,272	1,573	5,577	7,150	4,122	8,020	13,332	13,262

Table 3 presents the number of recipients of family payments, pensions and allowances by income unit decile and by family type for 2008/2009 (similar tables, A.12 and A.13, are presented in the Appendix for 2003/2004 and 2006/2007). The proportion of family payment recipients is highest for deciles 4 to 7, increases with the number of children and is higher for single parents than for couple families with children. The proportion of other income support recipients decreases with the income decile, which shows that although the first income decile does not receive the highest level of income support on average, it has the largest proportion of income units who receive a positive amount. Single parents are the most likely to receive income support, followed by single women. Table 3 shows that couples with children are less likely to receive income support than couples without children, which reflects the fact that couples of age pension age are unlikely to have dependent children living with them. The shares of income units that pay no net tax are reported in Table A.7 in the Appendix, as are the shares for the financial years 2003/2004 and 2006/2007 (in Tables A.5 and A.6).

Table 3 The number of income units receiving family payments and other income support: FY 08/09

Income unit decile (and cut-off points)	Number of income units (in '000s)	Recipients of family payments		Recipients of pensions and allowances	
		Number in '000s	Share (in %)	Number in '000s	Share (in %)
1	1,039	22	2.1	1,000	96.3
2 (\$14,368)	912	74	8.2	876	96.1
3 (\$16,169)	976	248	25.4	895	91.7
4 (\$19,531)	975	348	35.6	626	64.2
5 (\$24,267)	977	361	36.9	325	33.2
6 (\$29,489)	974	319	32.7	212	21.8
7 (\$34,505)	975	331	33.9	68	7.0
8 (\$39,900)	975	146	15.0	42	4.3
9 (\$46,954)	975	50	5.1	20	2.1
10 (\$58,589)	975	17	1.7	15	1.6
single man	2,307	0	0.0	873	37.8
single woman	2,155	0	0.0	1,198	55.6
couple no child	2,605	0	0.0	1,141	43.8
couple 1 child	731	400	54.7	143	19.5
couple 2 child	914	645	70.6	172	18.8
couple >2 child	479	381	79.4	116	24.1
single 1 child	295	233	78.9	215	72.6
single 2 child	190	182	95.4	153	80.7
single >2 child	77	75	98.0	70.4	91.7
ALL	9,754	1,915	19.6	4,080	41.8

In addition to the general overview in Tables 1 to 3 to reveal the extent of churning, which appears substantial, eight specific families are selected to show how churning depends on the number (and age) of children and on the wage level of the parents. The eight cameos (all families with children) presented in Table 4 are:

- Couple with 1 child under five years of age at a median wage, at a low wage (at the 25th percentile) and at a high wage (at the 75th percentile)³
- Couple with 3 children (two under five years of age and one between 5 and 13 years of age) at a median wage, at a low wage (at the 25th percentile) and at a high wage (at the 75th percentile)
- Single parent with 1 child under five years of age at a median wage
- Single parent with 2 children (one under five years of age and one between 5 and 13 years of age) at a median wage

Both partners in couple families will be at the same relative wage level (low, medium or high), with the primary earner working full-time (40 hours per week) and the secondary earner working part-time for 2 days a week (16 hours per week). The single parent is assumed to work full-time (40 hours per week).

For these cameos we present gross income, allowances/pensions, family payments, rebates, income tax and Medicare levy in Table 4. We add the first four income components and subtract the last two to obtain the net income. We also present the net government revenue derived from each family which is equal to the amount of tax and Medicare levy minus the allowances/pensions, family payments and rebates.

The cameos show that families with children on low income levels receive more (or only marginally less) from the government in family payments than they pay in direct income tax. For families with more children and for single parents, even a median wage will not make them net contributors to government revenue. This is without taking into account childcare subsidies which would make the net government revenue even lower or more negative.

In the final component of our analyses, we tabulate the distribution of individuals across income tax rates based on the 2008/2009 tax and social security system, and compare this to the distribution based on the 2003/2004 and 2006/2007 tax and social security systems. We do this by family type and by State of residence for 2008/2009. The corresponding disaggregations for 2003/2004 and 2006/2007 are presented in the Appendix (Tables A.1 to A.4), but they are not discussed here. In addition to the usual family types of single men, single women, single parents, partnered men and partnered women, we will distinguish partnered women with children aged under 15 years of age and single parents with children aged under 15 years of age.

³ We use the 25th percentile, the median, and the 75th percentile as reported in the ABS Employment Earnings and Hours (EEH) survey of 2006. This survey reports the earnings distribution for full-time non-managerial employees for men and women separately.

Table 4 From gross to net income unit income for 8 different families with children: FY 08/09

CAMEO	I	II	III	IV	V	VI	VII	VIII
family type	couple	couple	couple	couple	couple	couple	Single parent	Single parent
Number of children under 5 years of age	1	1	1	2	2	2	1	1
Number of children between 5 and 13 years of age	0	0	0	1	1	1	0	1
Wage scenarios ^a	low	median	high	low	median	high	median	median
Head's hourly wage	19	25	33	19	25	33	21	21
Head's hours worked per week	40	40	40	40	40	40	40	40
Head's gross earnings per week	760	1000	1320	760	1000	1320	840	840
Spouse's hourly wage	17	21	28	17	21	28		
Spouse's hours worked per week	16	16	16	16	16	16		
Spouse's gross weekly earnings	272	336	448	272	336	448		
Household gross weekly earnings	1032	1336	1768	1032	1336	1768	840	840
income tax	136.11	217.71	330.51	136.11	217.71	330.51	136.62	136.62
Medicare levy	11.40	20.04	26.52	11.40	20.04	26.52	12.60	12.60
rebates	38.83	29.23	23.08	38.83	29.23	23.08	12.55	12.55
family payments	80.40	58.65	37.41	279.95	206.35	133.64	155.80	244.87
allowances/pensions	0	0	0	0	0	0	0	0
net government revenue	28.28	149.87	296.54	-171.27	2.17	200.31	-19.13	-108.20
Household net weekly income	1003.73	1186.14	1471.46	1203.27	1333.83	1567.69	859.14	948.21

Note: a) For the wage levels low, median, and high, we use the 25th percentile, the median, and the 75th percentile based on the ABS Employment Earnings and Hours (EEH) survey of 2006 (Cat. No. 6306.0 Employee Earnings and Hours, Table 3). This survey reports the earnings distribution for full-time non-managerial employees for men and women separately.

The distribution of individuals across the income tax rates is presented in Table 5. In this table we present the marginal income tax rates, the thresholds at which they apply, and the distribution of individuals over these tax brackets. The changes to the personal income tax which became effective on 1 July 2006 resulted in a very significant change in the distribution of individuals over the tax brackets. The main factor causing this change was the substantial increase in the tax thresholds of the top two tax brackets from \$52,000 and \$62,500 in 2003/04 to \$75,000 and \$150,000 in 2006/07, respectively. Subsequent changes to these thresholds for 2008/09 did not alter the distribution as dramatically. The proportion of tax payers paying 30 cents in the dollar or less has risen from about 73% of taxpayers in 2003/04 to 87% in 2006/07. It has since dropped slightly to about 85% in 2008/09.

Table 5 Distribution of tax payers: by Financial Year

	Persons (in '000s)				
2003/04					
Marginal Tax Rate	0.17	0.30	0.42	0.47	
Tax thresholds where marginal rate starts to apply	\$6,000	\$21,600	\$52,000	\$62,500	
% Share of Tax Payers in each bracket	19.7	53.4	10.3	16.6	9,751
2006/07					
Marginal Tax Rate	0.15	0.30	0.40	0.45	
Tax thresholds where marginal rate starts to apply	\$6,000	\$25,000	\$75,000	\$150,000	
% Share of Tax Payers in each bracket	18.7	68.1	11.5	1.7	9,434
2008/09					
Marginal Tax Rate	0.15	0.30	0.40	0.45	
Tax thresholds where marginal rate starts to apply	\$6,000	\$34,000	\$80,000	\$180,000	
% Share of Tax Payers in each bracket	26.4	58.4	13.8	1.5	9,064

Table 6 provides a breakdown of the national distribution of individuals over the tax brackets by splitting the sample according to family type. We distinguish 5 family types, being partnered males and females, single males and females, and sole parents. To investigate two groups of interest we also present the distribution for partnered women and single parents when they have caring responsibilities for children under 15 years of age. In this table partnered men clearly stand out. It is also for this subgroup that enough observations are available to predict the proportion of individuals in the highest tax bracket with a satisfactory level of statistical precision. For the other subgroups we combine the top two tax brackets.

Table 6 Distribution of tax payers FY 08/09: By family type

					Persons ^a (in '000s)
(National)					
Marginal Tax Rate	0.15	0.30	0.40	0.45	
% Share of Tax Payers in each bracket	26.4	58.4	13.8	1.5	9,064
BREAKDOWN					
Partnered Men	12.7	61.6	22.8	3.0	3,540
Partnered Women	36.9	55.9	7.2 ^b		2,542
Single Males	30.9	57.1	12.0 ^b		1,601
Single Females	38.2	55.5	6.3 ^b		1,119
Sole Parents	32.4	58.2	9.5 ^b		263
TWO SPECIFIC GROUPS					
Partnered women with children under 15	42.1	51.5	6.5 ^b		992
Single parents with children under 15	34.2	56.8	9.0 ^b		190

Notes: a) The number of individual tax payers has been rounded. The rounded totals for subgroups do not necessarily add up to the rounded national number.

b) Where the underlying data used (SIHC 2003/04) could not reliably estimate the proportion in the highest marginal tax bracket, this bracket has been merged with the second-highest tax bracket.

Finally, Table 7 below provides a breakdown of the national distribution of individuals over the tax brackets by disaggregating them according to the state of residence. Similarly to the breakdown by family type we need to combine the top two tax brackets for all states except the two most populous states, Victoria and New South Wales. The territories clearly have the highest income earners with the lowest proportion of taxpayers in the bottom tax rate and the highest proportion in the two top tax rates. This is due to the relatively high earnings in the ACT compared to other regions. The reverse is true for Tasmania which has the highest proportion of taxpayers in the bottom tax rate.

Table 7 Distribution of tax payers for 2008/09: by State

					Persons (in '000s) ^a
(National)					
Marginal Tax Rate	0.15	0.3	0.4	0.45	
% Share of Tax Payers in each bracket	26.4	58.4	13.8	1.5	9,065
BREAKDOWN					
NSW	25.3	57.7	14.9	2.2	3,091
VIC	26.4	57.7	14.7	1.2	2,235
QLD	27.2	60.2	12.6 ^b		1,700
SA	29.2	59.9	10.9 ^b		690
WA	27.5	57.4	15.1 ^b		899
TAS	31.8	59.2	9.0 ^b		196
ACT&NT	18.8	58.4	22.9 ^b		252

Notes: a) The number of individual tax payers has been rounded. The rounded totals for subgroups do not necessarily add up to the rounded national number.

b) Where the underlying data used (SIHC 2003/04) could not reliably estimate the proportion in the highest marginal tax bracket, this bracket has been merged with the second-highest tax bracket.

APPENDIX TABLES

Table A.1 Distribution of tax payers for 2003/04: By family type

					Persons ^a (in '000s)
(National)					
Marginal Tax Rate	0.17	0.3	0.42	0.47	
% Share of Tax Payers in each bracket	19.7	53.4	10.3	16.6	9,751
BREAKDOWN					
Partnered Men	8.0	49.1	14.5	28.4	3,655
Partnered Women	26.3	57.5	7.7	8.5	2,749
Single Males	25.5	53.6	7.8	13.2	1,749
Single Females	31.9	54.7	7.0	6.5	1,321
Sole Parents	14.1	62.2	12.2	11.6	276
TWO SPECIFIC GROUPS					
Partnered women with children under 15	30.5	54.2	7.6	7.6	1,068
Single parents with children under 15	13.1	65.8	11.2	9.9	202

Notes: a) The number of individual tax payers has been rounded. The rounded totals for subgroups do not necessarily add up to the rounded national number.

Table A.2 Distribution of tax payers for 2006/07: By family type

					Persons ^a (in '000s)
(National)					
Marginal Tax Rate	0.15	0.3	0.4	0.45	
% Share of Tax Payers in each bracket	18.7	68.1	11.5	1.7	9,434
BREAKDOWN					
Coupled Men	7.4	69.5	19.6	3.6	3,589
Coupled Women	25.9	67.9	6.2 ^b		2,656
Single Males	24.61	65.29	10.1 ^b		1,689
Single Females	28.9	66.0	5.1 ^b		1,229
Sole Parents	14.9	76.8	8.3 ^b		272
TWO SPECIFIC GROUPS					
Coupled women with children under 15	30.7	63.8	5.5 ^b		1,044
Single parents with children under 15	14.7	77.7	7.7 ^b		199

Notes: a) The number of individual tax payers has been rounded. The rounded totals for subgroups do not necessarily add up to the rounded national number.

b) Where the underlying data used (SIHC 2003/04) could not reliably estimate the proportion in the highest marginal tax bracket, this bracket has been merged with the second-highest tax bracket.

Table A.3 Distribution of tax payers FY 03/04: by State

					Persons ^a (in '000s)
(National)					
Marginal Tax Rate	0.17	0.3	0.42	0.47	
% Share of Tax Payers in each bracket	19.7	53.4	10.3	16.6	9,751
BREAKDOWN					
NSW	17.8	53.5	9.7	19.0	3,280
VIC	21.1	51.4	10.6	16.8	2,420
QLD	20.0	55.9	9.9	14.2	1,846
SA	21.5	57.1	9.6	11.9	748
WA	21.7	51.1	11.9	15.4	978
TAS	24.0	55.8	9.0	11.1	214
ACT&NT	12.9	49.4	13.9	23.8	265

Notes: a) The number of individual tax payers has been rounded. The rounded totals for subgroups do not necessarily add up to the rounded national number.

Table A.4 Distribution of tax payers FY 06/07: by State

					Persons ^a (in '000s)
(National)					
Marginal Tax Rate	0.15	0.3	0.4	0.45	
% Share of Tax Payers in each bracket	18.7	68.1	11.5	1.7	9,434
BREAKDOWN					
NSW	17.1	68.3	12.2	2.5	3,194
VIC	19.7	66.3	12.7	1.4	2,329
QLD	19.4	70.1	10.6 ^b		1,800
SA	20.2	70.3	9.6 ^b		719
WA	20.3	66.1	13.7 ^b		940
TAS	22.3	69.7	7.9 ^b		205
ACT&NT	12.3	67.2	20.6 ^b		259

Notes: a) The number of individual tax payers has been rounded. The rounded totals for subgroups do not necessarily add up to the rounded national number.

b) Where the underlying data used (SIHC 2003/04) could not reliably estimate the proportion in the highest marginal tax bracket, this bracket has been merged with the second-highest tax bracket.

Table A.5 Share of negative net tax payers FY 03/04

Income unit type	Number of income units (in '000s)	Negative net tax payers		Net tax payers	
		Number in '000s	Share (in %)	Number in '000s	Share (in %)
single man	2,307	839	36.4	1,468	63.6
single woman	2,155	1,137	52.7	1,018	47.3
couple no child	2,605	1,007	38.7	1,598	61.3
couple 1 child	731	117	16.0	614	84.0
couple 2 child	914	172	18.8	742	81.2
couple >2 child	479	137	28.6	342	71.4
single 1 child	295	205	69.3	91	30.7
single 2 child	190	156	81.9	34	18.1
single >2 child	77	68	88.1	9	11.9
ALL	9,754	3,837	39.3	5,917	60.7

Table A.6 Share of negative net tax payers FY 06/07

Income unit type	Number of income units (in '000s)	Negative net tax payers		Net tax payers	
		Number in '000s	Share (in %)	Number in '000s	Share (in %)
single man	2,307	856	37.1	1,451	62.9
single woman	2,155	1,166	54.1	989	45.9
couple no child	2,605	1,038	39.9	1,567	60.1
couple 1 child	731	144	19.7	587	80.3
couple 2 child	914	229	25.0	685	75.0
couple >2 child	479	187	39.1	292	60.9
single 1 child	295	211	71.5	84	28.5
single 2 child	190	161	84.6	29	15.4
single >2 child	77	68	89.0	8	11.0
ALL	9,754	4,060	41.6	5,694	58.4

Table A.7 Share of negative net tax payers FY 08/09

Income unit type	Number of income units (in '000s)	Negative net tax payers		Net tax payers	
		Number in '000s	Share (in %)	Number in '000s	Share (in %)
single man	2,307	872	37.8	1,436	62.2
single woman	2,155	1,187	55.1	968	44.9
couple no child	2,605	1,048	40.2	1,557	59.8
couple 1 child	731	146	20.0	584	80.0
couple 2 child	914	228	24.9	686	75.1
couple >2 child	479	184	38.4	295	61.6
single 1 child	295	218	73.8	77	26.2
single 2 child	190	161	84.6	29	15.4
single >2 child	77	69	90.1	8	9.9
ALL	9,754	4,113	42.2	5,641	57.8

Table A.8 Median of income tax, family payments and other income support by income unit decile and family type based on weighted data (conditional medians are computed conditional on receiving payments): FY 03/04

Income unit decile	Number of income units (incl. Medicare and rebates) (in '000s)	Median of income taxes	Median of family payments	Median of pensions / allowances	Median of all income support	Median of the difference (tax - inc. supp.)	Conditional Median of family payments	Conditional Median of pensions / allowances	Conditional Median of all income support
1	991	0	0	10,010	10,010	-10,010	8,840	10,010	10,010
2	963	0	0	11,773	11,773	-11,773	8,840	11,773	11,773
3	972	0	0	11,773	11,773	-11,773	8,840	11,773	11,773
4	975	2,204	0	4,532	9,724	-5,249	6,985	11,773	11,175
5	975	4,395	0	0	3,224	3,836	4,638	8,253	7,084
6	976	6,346	0	0	1,095	6,093	3,491	4,205	4,045
7	975	8,955	0	0	0	8,637	2,190	4,098	2,190
8	976	13,116	0	0	0	12,527	1,095	4,304	1,665
9	975	17,888	0	0	0	17,814	2,920	7,517	3,132
10	975	34,277	0	0	0	34,242	2,037	11,512	7,517
Family type									
single men	2,307	4,320	0	0	0	4,285	0	10,010	10,010
single women	2,155	850	0	4,111	4,111	-2,666	0	11,773	11,773
couples without child	2,605	8,394	0	0	0	8,033	0	18,858	18,858
couples with 1 child	731	15,368	1,095	0	1,095	13,928	2,920	7,838	3,132
couples with 2 children	914	16,471	2,190	0	2,190	13,584	3,132	7,511	4,227
couples with >2 children	479	15,143	4,119	0	4,654	10,690	5,461	4,532	6,218
singles with 1 child	295	1,447	5,439	8,467	12,687	-10,984	5,439	11,490	14,788
singles with 2 children	190	0	8,840	11,773	20,613	-20,613	9,724	11,773	20,613
singles with >2 children	77	0	13,155	11,773	24,927	-24,927	13,155	11,773	24,927
ALL	9,754	6,210	0	0	1,614	4,853	4,849	11,773	11,037

Table A.9 Median of income tax, family payments and other income support by income unit decile and family type based on weighted data (conditional medians are computed conditional on receiving payments): FY 06/07

Income unit decile	Number of income units (in '000s)	Median of income taxes (incl. Medicare and rebates)	Median of family payments	Median of pensions / allowances	Median of all income support	Median of the difference (tax - inc. supp.)	Conditional Median of family payments	Conditional Median of pensions / allowances	Conditional Median of all income support
1	979	0	0	10,676	10,676	-10,676	12162	10676	10676
2	997	0	0	12,992	12,992	-12,992	11082	12992	12992
3	950	0	0	12,992	17,511	-17,511	11147	12992	19215
4	975	1,899	0	4,763	11,592	-9,101	11785	11357	14894
5	975	4,074	0	0	5,465	2,687	8338	8694	10238
6	976	6,394	0	0	718	5,872	6169	4133	5741
7	975	9,262	0	0	0	8,947	3657	3447	3657
8	976	12,828	0	0	0	12,562	2136	4763	2511
9	976	18,852	0	0	0	18,496	4000	10817	4000
10	975	33,944	0	0	0	33,888	4000	11484	4000
Family type									
single men	2,307	3,862	0	0	0	3,830	0	10676	10676
single women	2,155	467	0	4,585	4,585	-3,401	0	12992	12992
couples without child	2,605	8,187	0	0	0	7,685	0	20480	20480
couples with 1 child	731	15,695	1,829	0	1,829	13,030	4340	9250	4922
couples with 2 children	914	16,570	3,657	0	4,000	12,103	6169	6895	6453
couples with >2 children	479	15,341	8,339	0	9,209	6,457	10494	5313	11666
singles with 1 child	295	1,159	6,829	9,416	15,577	-13,325	6829	12927	16455
singles with 2 children	190	0	12,103	12,992	24,139	-24,139	12103	12992	24139
singles with >2 children	77	0	16,735	12,992	29,669	-29,669	16735	12992	29669
ALL	9,754	6,003	0	0	2,511	3,871	7081	12992	12904

Table A.10 Mean of income tax, family payments and other income support by income unit decile and family type based on weighted data (conditional means are computed conditional on receiving payments): FY 03/04

Income unit decile	Number of income units (incl. Medicare and rebates) (in '000s)	Mean of income taxes	Mean of family payments	Mean of pensions / allowances	Mean of all income support	Mean of the difference (tax - inc. supp.)	Conditional Mean of family payments	Conditional Mean of pensions / allowances	Conditional Mean of all income support
1	991	67	403	8,893	9,295	-9,229	9,192	9,474	9,895
2	963	104	811	14,009	14,820	-14,716	8,889	14,356	15,187
3	972	695	2,268	10,992	13,260	-12,564	8,741	12,404	14,554
4	975	2,863	2,726	7,206	9,932	-7,069	7,734	12,288	12,748
5	975	5,673	1,729	3,445	5,174	499	5,088	9,267	8,780
6	976	8,538	1,323	1,774	3,097	5,441	3,962	6,450	5,849
7	975	12,141	760	616	1,376	10,765	2,351	6,489	3,529
8	976	15,698	290	405	694	15,004	1,812	8,337	3,590
9	975	21,257	105	201	306	20,951	2,938	8,813	5,483
10	975	45,732	30	164	194	45,538	3,353	9,004	7,881
Family type									
single men	2,307	6,991	0	3,434	3,434	3,557	0	9,084	9,084
single women	2,155	4,428	0	5,519	5,519	-1,091	0	9,956	9,956
couples without child	2,605	13,521	0	6,818	6,818	6,703	0	15,531	15,531
couples with 1 child	731	20,660	1,596	2,080	3,676	16,984	2,932	10,411	5,923
couples with 2 children	914	22,933	2,947	1,868	4,815	18,118	4,256	9,869	6,661
couples with >2 children	479	21,848	5,443	2,207	7,651	14,197	6,905	8,513	9,547
singles with 1 child	295	5,083	4,286	7,086	11,372	-6,289	5,434	9,155	12,006
singles with 2 children	190	4,329	7,934	8,835	16,769	-12,440	8,256	10,414	16,810
singles with >2 children	77	3,057	12,139	10,740	22,880	-19,823	12,383	11,687	22,880
ALL	9,754	11,276	1,043	4,764	5,807	5,469	5,357	11,293	10,778

Table A.11 Mean of income tax, family payments and other income support by income unit decile and family type based on weighted data (conditional means are computed conditional on receiving payments): FY 06/07

Income unit decile	Number of income units (in '000s)	Mean of income taxes (incl. Medicare and rebates)	Mean of family payments	Mean of pensions / allowances	Mean of all income support	Mean of the difference (tax - inc. supp.)	Conditional Mean of family payments	Conditional Mean of pensions / allowances	Conditional Mean of all income support
1	979	20	283	9,797	10,080	-10,060	13,317	10,292	10,589
2	997	47	533	15,350	15,882	-15,835	11,200	15,823	16,359
3	950	339	2,901	13,246	16,148	-15,809	11,092	14,480	17,592
4	975	2,542	4,190	7,641	11,831	-9,290	11,875	11,283	14,929
5	975	5,370	3,242	3,546	6,788	-1,418	9,345	9,553	11,478
6	976	8,236	2,291	1,383	3,674	4,563	6,651	5,696	7,218
7	975	12,337	1,558	410	1,968	10,369	4,405	5,009	4,841
8	976	15,485	606	408	1,014	14,471	3,052	9,440	4,442
9	976	21,767	275	249	524	21,242	4,203	11,383	6,279
10	975	44,976	85	220	306	44,671	3,841	11,192	7,753
Family type									
single men	2,307	6,876	0	3,742	3,742	3,134	0	9,708	9,708
single women	2,155	4,400	0	6,057	6,057	-1,657	0	10,793	10,793
couples without child	2,605	13,293	0	7,494	7,494	5,798	0	16,774	16,774
couples with 1 child	731	20,370	2,719	2,340	5,059	15,310	4,740	11,378	7,867
couples with 2 children	914	22,626	4,841	2,095	6,936	15,691	6,708	10,359	9,263
couples with >2 children	479	21,462	8,839	2,421	11,260	10,202	10,837	8,649	13,627
singles with 1 child	295	5,035	5,649	7,714	13,364	-8,328	7,163	9,990	14,136
singles with 2 children	190	4,279	10,302	9,614	19,916	-15,637	10,788	11,440	20,088
singles with >2 children	77	3,015	16,083	11,674	27,757	-24,742	16,406	12,703	27,757
ALL	9,754	11,109	1,590	5,229	6,819	4,290	7,916	12,170	12,414

Table A.12 The number of income units receiving family payments and other income support: FY 03/04

Income unit decile	Total number of income units (in '000s)	Recipients of family payments		Recipients of pensions and allowances	
		Number in '000s	Share (in %)	Number in '000s	Share (in %)
1	991	43	4.4	930	93.9
2	963	88	9.1	940	97.6
3	972	252	25.9	862	88.6
4	975	344	35.2	572	58.6
5	975	331	34.0	363	37.2
6	976	326	33.4	268	27.5
7	975	315	32.3	93	9.5
8	976	156	16.0	47	4.9
9	975	35	3.6	22	2.3
10	975	9	0.9	18	1.8
single man	2,307	0	0.0	872	37.8
single woman	2,155	0	0.0	1,195	55.4
couple no child	2,605	0	0.0	1,144	43.9
couple 1 child	731	398	54.4	146	20.0
couple 2 child	914	633	69.2	173	18.9
couple >2 child	479	378	78.8	124	25.9
single 1 child	295	233	78.9	229	77.4
single 2 child	190	183	96.1	161	84.8
single >2 child	76.811	75.299	98.0	71	91.9
ALL	9,754	1,900	19.5	4,114	42.2

Table A.13 The number of income units receiving family payments and other income support: FY 06/07

Income unit decile	Total number of income units (in '000s)	Recipients of family payments		Recipients of pensions and allowances	
		Number in '000s	Share (in %)	Number in '000s	Share (in %)
1	979	21	2.1	932	95.2
2	997	47	4.8	967	97.0
3	950	249	26.2	869	91.5
4	975	344	35.3	660	67.7
5	975	338	34.7	362	37.1
6	976	336	34.5	237	24.3
7	975	345	35.4	80	8.2
8	976	194	19.9	42	4.3
9	976	64	6.5	21	2.2
10	975	22	2.2	19	2.0
single man	2,307	0	0.0	889	38.5
single woman	2,155	0	0.0	1,209	56.1
couple no child	2,605	0	0.0	1,164	44.7
couple 1 child	731	419	57.4	150	20.6
couple 2 child	914	659	72.2	185	20.2
couple >2 child	479	391	81.6	134	28.0
single 1 child	295	233	78.9	228	77.2
single 2 child	190	182	95.5	160	84.0
single >2 child	77	75	98.0	71	91.9
ALL	9,754	1,959	20.1	4,191	43.0