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by

Diana Encel

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FOREWORD

This is the seventh report to be published in the **Research Resource Series,** and the first under the Centre's new name. As explained in the Introduction, it builds on and develops material previously published in Report Numbers 3 and 4 in the series.

In recent years, the Social Policy Research Centre has become more actively involved in research on income distribution, inequality and living standards. This work complements the Centre's interest and research on poverty which has been pursued since the establishment of the Centre in 1980. By broadening the scope of our research to include wider questions of distribution, access and use of resources and services, the Centre hopes to locate its more specific research within the wider structure and fabric of Australian society. The results and analysis undertaken and published in recent years not only fulfill the research objectives of the Social Policy Research Centre, but also serve as part of our more general social monitoring and educative functions.

For these reasons, the release of this Report on **Aspects of the Distribution of Income and Wealth in Australia: An Annotated Bibliography** is both welcome and timely. Concerns that the distribution of resources in Australia is becoming more unequal are widespread, as is the perception of increasing inequality. Social Justice now appears firmly on the policy agenda of the federal government.

This Bibliography is intended for all those interested in questions relating to the distribution of income, whatever the motivation for their interest. I hope that researchers and the general community alike will find it a useful resource.

Peter Saunders
Director
Social Policy Research Centre

INTRODUCTION

This Bibliography focuses on the distribution of income in Australia, but also includes reference to works concerned with the distributions of asset income and wealth, that is, with inequality at the upper end of the income distribution. In 1988 the Centre published **Poverty and Aspects of Inequality in Australia: An Annotated Bibliography, 1963-1987,** No. 3 in the current series. That report was mainly concerned with poverty, that is, income inequality at the lower end of the income distribution. Readers with an interest in poverty are referred to the earlier bibliography, particularly to those works described there under the key-word 'income inequality'. Some works are cited in both bibliographies, but there are a number which appear in only one.

Much of the Australian research into income distribution is concerned with redistribution of income through the taxation and welfare transfer systems. Readers particularly interested in this aspect of income distribution are referred to another bibliography published by the Centre - **The Interaction Between the Australian Taxation and Social Security Systems,** (Research Resource Series No. 4), particularly to works described by the key-words 'income distribution' and 'incidence'. Once again there is a certain amount of overlap and some works appear in both bibliographies.

The earliest works cited in this Bibliography are those by the first Commonwealth Statisticians, T.A. Coghlan and G.H. Knibbs who each interpreted the results of the early Censuses. Between 1933 and 1976, income data were not collected in the Census 'because of the unsatisfactory response' (Brown, 1957). However the Australian Bureau of Statistics (ABS) is, and has been, the most important source of data, especially since 1968 when they began to conduct surveys of the income of both individuals and families. Final data from the first of these surveys were published in **Income Distribution, 1968-69, Consolidated and Revised Edition** (1975). This was followed by a similar survey in 1973-74, published in 1976 and providing data which show changes over the intervening period; these surveys are currently carried out at 5 year intervals. In 1974-75, ABS began to conduct household expenditure surveys. Data from the 1984 survey were used in their publication **The Effects of Government Benefits and Taxes on Household Income** (1987), part of a now extensive literature on that subject. The ABS has used data from the various surveys and censuses to produce **Social Indicators,** volumes which include income data by a selected number of variables. The first of these appeared in 1976; since 1980 these volumes have included interpretative description, and are cited in this Bibliography. The ABS continues to collect data and to release them in a variety of ways: collected data, tabulated; interpretive publications such as those mentioned above; and, more recently, as the technology has allowed, in the form of unit record tapes. As the current Commonwealth Statistician has noted; 'Researchers no longer have to pray that published data answer their varied and complex research questions. They can now manipulate the data directly and produce very specialized cross-tabulations of a wide number of variables' (Castles, 1987, p.102). For a more comprehensive list of ABS publications, readers are referred to the ABS Catalogue.

Apart from Census or other ABS surveys, the major source of income data is income tax statistics. These, not cited in the Bibliography, are available from the **Annual Reports** of the Commissioner for Taxation, from the parliamentary papers, **Taxation Statistics** and from the **Budget Papers.** Taxation statistics since 1937-38 have been classified by actual income rather than taxable income, that is, taxable income plus exempt income and allowable deductions. 'This improvement in statistics was the work of the Commonwealth Statistician, Roland Wilson' (Brown, 1957). Since 1975-76, **Taxation Statistics** has included a table of taxpayers classified by electoral division and residential postcode, providing a data source for the examination of geographical income distribution issues (see Shanahan 1984).

Investigation into the distribution of earnings, or wages, another theme of the bibliography, also depends largely upon ABS data sources. The **Labour Report** series, which appeared from 1912 to 1973 and now appears as **Labour Statistics** (ABS Catalogue No.6101.0) presents a wide coverage of labour statistics including earnings and award rates of pay, income and labour costs, non-wage benefits, work patterns and hours of work. The series **Survey of Weekly Earnings,** (1961-5) now appearing as **Average Weekly Earnings,** (ABS Catalogue No.6302.0) presents data on the distribution and composition of employee earnings and hours, by gender, age and industry group. These are derived from labour force surveys as well as employer-based surveys.

Apart from census and taxation data, attempts to produce income distribution and other measures of financial status (savings, rents, expenditures) by conducting surveys of households have also been reported intermittently by non-government, mostly academic researchers. William Stanley Jevons, who later became president of the Economic and Statistics Section of the British Association for the Advancement of Science, spent some years in Australia during the 1850s working at the Sydney Mint. During this time he compiled a document which described Sydney south of the harbour, its houses, streets, sanitary conditions and the occupations of its inhabitants (Castles, 1987, p.99). Other surveys cited in this bibliography include one carried out by Wilfred Prest in war-time Melbourne (Prest, 1952). In 1956, Harcourt and Ironmonger conducted a pilot survey to investigate the feasibility of a full scale survey and in 1964 R.G. Brown canvassed the possibility of a survey to study the needs and resources of the poor. The Institute of Applied Economic and Social Research did conduct such a survey, in Melbourne in 1966 (published as R.F. Henderson, Alison Harcourt and R.J.A. Harper, **People in Poverty: A Melbourne Study**) and the Australian (or Macquarie) **Survey of Consumer Finances and Expenditures 1966-68** was conducted by Drane, Edwards and Gates. Probably the most important income survey during this period was that carried out for the Commission of Inquiry into Poverty by the ABS. Although not all data from these surveys have been published, they have been used for various specific analyses cited in the Bibliography. Small scale area studies have also been carried out at various times for specific purposes. These include the work of the Urban Research Unit (see Neutze various years, Johnson, 1972 and Kendig, 1974) which provides information about income and assets in the form of home ownership. A study of fifty families was undertaken for the National Women's Advisory Council to discover the distribution of income within families (see Edwards, 1981).

Researchers interested in the distribution of wealth have used one major source of data, namely, estate duty statistics. Several items cited in the bibliography describe the use of this data source (for a summary, see Piggott, 1984).

The above paragraphs describe the major data sources discovered during the search for the items cited in this Bibliography. These data have been used for a variety of purposes. The distribution of income is often used as an indication of well-being in a community and this factor underlies much of the research undertaken in the area. However, other reasons have also been given such as: administrative purposes, for the estimation of the relative taxable capacity and 'to estimate current income distributions against which the yield of possible increased rates of Commonwealth tax could be assessed' (see Brown, 1957); 'to promote the colonies (and later the Commonwealth) as communities of rapid growth and equitable distribution by European norms' (see Piggott, 1984); to discover the outcome of policy changes or changes in economic conditions, some of which are indirect and unpredictable; and an interest in 'fairness' or social justice. However, income statistics 'as indicators of how equally or unequally economic well-being is distributed in the community' (Ingles, 1981) appear to be the focus of most research described in the works cited.

Analyses of the data sources described above comprise the bulk of the work included in this Bibliography. The range of themes around which they are organised can readily be discerned from the key-words used to describe the entries. Each key-word is defined for the purposes used in this Bibliography, in the index section of this volume. There are a number of issues which are **not** included, for instance, works whose main purpose is to make recommendations for improving the distribution of income either by policies for affecting economic condition or changes in the taxation or transfer system. It is concerned with the distribution of income between individuals, households, or families but does not include material on the distribution of the national income, for instance, as between wages, profits etc., either at one time, or as they change over time. It also does not include citations of works which are concerned mainly with per capita incomes. There is a large literature which discusses measures of equality and their use in comparative studies. Works in this category also do not fall within the scope of this Bibliography, though there is a key-word, 'methodology', which covers works describing the measurement of income distribution, some of which are also concerned with the concepts and choice of equality measurement.

ORGANISATION

This bibliography includes whole books, parts or chapters of books, papers in series and journal articles. No newspaper material has been included. All the items have been sighted.

Each item has been annotated to give an indication of the scope and nature of the work. The annotations are descriptive only and no attempt has been made to review or evaluate the contents. Wherever possible the author's or publisher's abstract has been used (indicated by quotation marks) and in other cases an attempt has been made to use the language of the author or authors concerned.

All annotations are arranged alphabetically by author, or, where applicable, corporate body. Where no author is known, the item is entered by title, also alphabetically.

The name is followed by the year of publication. When more than one work by the same author is cited, the works are arranged chronologically from the earliest to the most recent, and if there are several in the same year, they are then ordered alphabetically by title. Authors as single authors appear first, followed by that author in joint authorship with others.

The title of the book or the name of the journal appears in bold.

Where the item appears in a journal the volume number is given followed by the number within that volume in brackets.

The last numbers in the citations indicate the length of the item (x pp. for a complete publication or x-y for part of a book or journal).

Each annotation is given a record number which appears above the citation.

Each annotation is followed by one or more key-words which indicate the subject matter covered in the item.

An index lists each key-word which is followed by a group of record numbers indicating which annotations have been placed within that key-word category.

There is an alphabetical listing of authors, separate from the annotation, which includes joint authors. The number/s following the names are the record numbers of the annotations (not page numbers).

1 ABELSON, P.W. (1985), 'Measures of economic welfare: discussion and application to Sydney', **Australian Economic Papers,** 24(44), June, 95-114.

Economic welfare is examined here by 'a study of the distribution of income and wealth in 40 Local Government Authorities (LGA) in Sydney in 1981'. Estimates made include mean gross annual income, mean disposable annual income, total wealth, return on assets, unimproved capital values, and others. This paper argues that average per capita income per household is not a 'robust' indicator of the welfare of a community.

DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES.

2 ABELSON, Peter (1987), 'Fairness in the real world: rules, choices, expectations and policies', **Australian Economic Papers,** 26(48), June, 1-19.

'Economic change invariably creates winners and losers. Of course if the gains exceed the losses and the winners compensate the losers, the change increases economic welfare and no one is worse off than before. This does not necessarily mean that the winners should compensate the losers because the initial situation may itself have been unfair and some redistribution of income desirable. But generally the existence of losers makes the determination of policy more difficult.' This essay looks at theories of fairness, draws out some ethical implications, discusses major policy issues involving fairness, focusing 'in particular on the main characteristics and constraints of the initial conditions, the role of choice and expectations, and implications for the evaluation of economic changes'.

JUSTICE.

3 ABELSON, Peter, ALCORDO, Edward and LO, Kai (1983), **Income, Wealth and Poverty in Sydney,** Sydney, Australian Professional Publications, 28pp.

The distribution of income, wealth and poverty in local authority areas and statistical sub-divisions in Sydney are estimated from the data available in the 1981 census. Several measures are used: mean and median gross income per household, mean gross income per capita, estimates which allow for differences between the ages of local populations and between the sizes of local households, for the effects of lifetime income as distinct from annual incoe, the equity held in residential real estate, as well as in other assets in each community, estimates of the combined return from wealth and income as well as four measures of poverty and one of inequality. For each of the measures, a table ranks the local areas. There is some explanation of the distribution of income, wealth and poverty and a number of factors are discussed, such as age, unemployment, labour force qualifications, labour force participation, the percentage of the population born overseas and the percentage with poor or no English language.

DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES.

4 ABLETT, John R. (1983), **The Distribution of Wealth and the Case for Annual Net Worth Taxation,** CEDA Study Monograph No. M72, Committee for Economic Development of Australia, 48pp.

The sections of this paper present a summary of indirect methods of estimating wealth distribution, existing evidence on the distribution of wealth in Australia, estimates of components of the distribution of wealth in Australia in 1975-76, a 'preface to the annual net worth tax debate' (AWT), the revenue potential of such a tax, a discussion of the equity aspects of such a tax, the economic aspects of an AWT and a discussion of the administrative problems associated with such a tax. 'The general conclusion reached in this study as to the desirability of an Australian AWT is essentially in agreement with the view of the Asprey Committee (1975). It is felt that in the present Australian context an AWT should not be introduced, and instead efforts should be made to bring about an improved system of wealth transfer taxes.'

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

5 AGRAWAL, Nisha (1986), **Sources of Inequality Between Male and Female Incomes in Australia,** Impact Project General Paper No. G73, Impact Research Centre, University of Melbourne, 40pp.

'This paper examines the influence of labour force status, number of hours worked, education qualifications, experience and occupation as sources of inequality between male and female incomes in Australia. A decomposition method is used to identify the effect of each factor on male/female inequality. This strategy involves successively removing persons who differ with respect to each of these factors from the population under study and then decomposing the inequality in the remaining sub-population into inequality within each sex and inequality between the sexes. This decomposition is done using the Shorrocks I_0 Index. The study is based on unit record data from the 1981-82 Income and Housing survey conducted by the ABS. It finds that a significant proportion of the inequality between the incomes of the sexes can be explained by their differences with respect to the factors listed above. The major source of the inequality, however, seems to be the strong occupational stereotyping of the sexes - typically a higher proportion of women are being employed in lower paying jobs than men.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Gender.

6 AGRAWAL, Nisha (1987), **Analysing Distributional Issues Using Equivalent-Adult Disposable Incomes,** Impact Project Preliminary Working Paper No. IP-32, Impact Research Centre, University of Melbourne, 30pp.

This paper gives a progress report on the development of a model capable of analysing the distributional implications of a wide variety of economic changes. Previous results have been reported in terms of changes in individual disposable incomes. For certain groups this measure is known to be a poor indicator of welfare levels. 'In this paper, an income measure is constructed that is a more appropriate indicator of welfare: equivalent-adult disposable incomes. This measure takes into account not only family incomes but family needs as well. A consistent methodology is then developed for reporting distributional results in terms of this measure.'

METHODOLOGY.

7 AGRAWAL, Nisha (1989), **Protection as a Tax on Consumers: Who Bears the Burden,** Impact Project Preliminary Working Paper No. IP-43, Impact Research Centre, University of Melbourne, 58pp.

'Protection implicitly taxes consumers by raising prices, in a manner akin to a consumption tax. This paper presents an analysis of the distribution of the burden of this 'protection tax' across different types of households. The households are differentiated on the basis of (a) principal source of income, (b) nature of housing occupancy, (c) age of household head, (d) number of adults and (e) number of children. The analysis depends on simulations using an extended version of the ORANI model of the Australian economy. That is, the "standard" version of the ORANI model has been augmented with data from the 1981-82 Income and Housing Survey and from the 1984 Household Expenditure Survey.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Economic conditions.

8 AGRAWAL, Nisha (1989), **Tariff Reform and the Distribution of Household Incomes,** Impact Project Preliminary Working Paper No. IP-42, Impact Research Centre, University of Melbourne, 52pp.

'In this paper we show that reducing industry protection in Australia is likely to increase the average real disposable income of the household sector. The relative winners and losers of tariff reform would depend upon the specific outcome of the wage fixation processes. This is because the level of the real wage rate is an important determinant of the level of economic activity in the economy, and hence, of the real incomes accruing to various factors, including labour. The analysis depends on simulations using an extended version of the ORANI model of the Australian economy. That is, the "standard" version of the ORANI model has been augmented with data from the 1981-82 Income and Housing Survey.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Economic conditions.

9 AGRAWAL, Nisha and MEAGHER, G.A. (1987), **Distributional Effects of Alternative Policy Responses to Australia's Terms of Trade Deterioration,** Impact Project Preliminary Working Paper No. IP-31, Impact Research Centre, University of Melbourne, 74pp.

'Australia has recently suffered a severe deterioration in its terms of trade. In this paper we present an analysis of the short-run distributional consequences of that shock. We also examine the differences in the distributional effects of some alternative demand management and income policies designed to offset the effects of the deterioration on the balance of trade. The analysis depends on simulations using an extended version of the ORANI model of the Australian economy, taken in conjunction with unit record data from the 1981-82 Income and Housing Survey. The distributional effects are examined across various classifications of individuals: across occupational groups; across groups with different principal sources of income; across demographic groups; and, across income deciles. For the occupational and demographic classifications, we examine employment changes as well as income changes.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Economic conditions.

10 AGRAWAL, Nisha and MEAGHER, G.A. (1988), 'Structural reform, macro policies and income distribution', **Australian Economic Review,** 3rd Quarter, 83, Spring, 42-52.

'Since the mid-1980s, Australia has been under considerable pressure to restructure its economy. This restructuring has been necessitated by the need to generate surpluses in its external trade account in order to meet the growing interest payments on its foreign debt. To facilitate this process of restructuring, the Commonwealth Government initially used two macro policies that have the desired structural effects: "wage moderation" and "fiscal management". In this paper, we examine the distributional effects of these policies. The analysis depends on simulations using an extended version of the ORANI model of the Australian economy, taken in conjunction with unit record data from an updated version of the 1981-82 Income and Housing Survey database.' The main conclusion to be drawn from the analyses is that: 'Employment is important for income distribution'.

Comments on the paper are included in the same number of the journal: Ross A. WILLIAMS (p.53) and John CREEDY (p.76).

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Economic conditions.

11 ALBON, Robert (1978), 'Rent control, a costly redistributive device? The case of Canberra', **Economic Record,** 54 (147), December, 303-13.

'This paper assesses the consequences of compulsory rent and eviction control which was imposed in Canberra in 1973. A partial equilibrium model is utilized, but the effects of rent control on related markets are also considered. Two ways of estimating market rent are scrutinized, one of which is utilized in an attempt to measure tenants' benefits from the policy. A Hicks' equivalent variation measure of "tenants' surplus" is proposed which takes account of the quantity constraint associated with rent control. This is estimated assuming a Cobb-Douglas utility function. The extent of the costs associated with conferring these benefits is indicated.'

FACTORS AFFECTING DISTRIBUTION: Housing.

12 ALCHIN, T.M. (1981), 'The redistributional effect of personal income tax in Australia', **Economic Analysis and Policy,** 11(1-2), March-September, 14-21.

'The purpose of this paper is to show that the progressive income tax in Australia has achieved some equity in terms of income redistribution by personal income taxation.' Data examined here are taken from the reports of the Australian Commissioner of Taxation from 1953 to 1980-81. The method used involves the calculation of Gini coefficients for each year, for taxable income. 'It is not the purpose of this paper to argue whether the primary (or pre-tax) income distribution is more equitable in 1979-1980 than in 1950-51. Rather, comment is made on what can be established in terms of [illegible] incidence or redistributive impact of income tax, i.e. whether the secondary (or post-tax) income is more equitable than the primary in each year considered.' Tables present Gini coefficients for each year, quintile shares of income before and after tax for the total tax-paying population over the period, absolute and percentage changes in the quintile share of income as a result of personal income tax and finally, the change as a result of personal income taxation as a per cent of primary income share. These show that annual levelling of incomes has occurred through income taxation, involving a redistribution from the fifth quintile (and occasionally the fourth) to the lower quintiles. The author makes a number of comments on the interpretation and limitations of the findings.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

13 ALCHIN, Terry (1983), 'The effects of personal income taxation on income inequality in Australia', **Australian and New Zealand Journal of Sociology,** 19(1), March, 136-45.

'This paper attempts to show that the progressive income tax system in Australia is redistributing income towards those recipients in the lower quintiles. This distribution has been occurring over the thirty year study but has been dramatically expanded over the last six year by some of the changes to the income taxation system, for example, the introduction of a rebate system to replace the deduction system. Recommendations are presented here that a more progressive system would redistribute more income and reallocate the income into those areas where it will have the most benefit. This may be accomplished by changing marginal rates of tax or increasing the number of taxation steps in the scale.'

FACTORS AFFECTING REDISTRIBUTION: Taxation.

14 ANSTIE, Roslyn, FINDLAY, Christopher and HARPER, Ian (1983), 'The impact of inflation and taxation on tenure choice and the redistributive effects of home-mortgage interest rate regulation', **Economic Record,** 59(165) June, 105-10.

This paper offers an explanation of the regressive redistributive impact of home-mortgage interest rate regulation, in terms of the interaction of inflation with the tax system in Australia. 'A model of tenure choice in the context of inflation and taxation is developed. In explaining this phenomenon, the model also establishes the regressive nature of the tax subsidy to owner-occupation. Home-mortgage interest rate regulation is then introduced. This reinforces the redistributive bias in the housing finance market. The model is used finally to predict the impact of deregulation. It is concluded that deregulation by itself can only remove the redistributive bias resulting from regulated mortgage interest rates. Reform of the tax system is required to eliminate the regressive redistributive effects of the tax subsidy to owner-occupation.'

FACTORS AFFECTING DISTRIBUTION: Economic conditions, housing, FACTORS AFFECTING REDISTRIBUTION: Taxation.

15 ANSTIE, R.K., GRAY, M.R. and PAGAN, A.R. (1981), **Inflation and the Consumption Rate,** Discussion Paper No. 27, Centre for Economic Policy Research, Canberra, Australian National University; also in A.R. PAGAN and P.K. TRIVEDI (eds), (1983), **The Effects of Inflation: Theoretical Issues and Australian Evidence,** Centre for Economic Policy Research, Australian National University, 321-61; with comments by Ross WILLIAMS, Sam OULIARIS and J.W. NEVILE.

The paper is concerned with consumption and household saving in a time of inflation. It suggests that the correlation between inflation and the consumption ratio arises because the definition of the denominator - household disposable income - is inadequate in the face of inflation. An ideal definition of income should incorporate the fact that households suffer capital losses and gains on assets and liabilities. These arise when interest rates fail to adjust sufficiently for inflation. The paper constructs such a series of income and finds that a consumption ratio formed with this definition is very much more stable.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, FACTORS AFFECTING REDISTRIBUTION: Taxation.

16 APPS, Patricia (1981), **A Theory of Inequality and Taxation**, Melbourne, Cambridge University Press, 132pp.

'The theory of taxation has been built on a theory of inequality which attributes income differences to the natural abilities, inherited capital and the preference of individuals. Differences in individual endowments caused by the structure of institutions are acknowledged but not given a fundamentally different treatment. Yet institutions play a central role in the creation of inequality and, as well, in its perpetration, and the latter is not captured by conventional tax models. This book presents a theory of institutional inequality which, in analysing taxation, employs a modified trade model and the theory of local public goods. The analysis shows that tax incidence depends upon the causes of inequality. If inequality is largely institutional and social policy does not alter the mechanisms by which institutions translate the distribution of power among individuals into the distribution of income, progressive taxation may be ineffective in reducing inequality and alleviating poverty. Under these conditions there is no trade-off between efficiency and equity in the design of tax reform.'

The chapters of the book discuss firstly the theory in outline (tax theory and the causes of inequality; institutional inequality, with an illustration of it; and the specification of work and leisure and the effects of income taxation under institutional inequality); institutional inequality: a theory of crowding, including a discussion of theories of trade and income distribution; the life cycle and inequality; work, leisure, institutional restrictions and income taxation; the incidence of progressive income taxation under institutional inequality; population growth and family policy; and conclusions and directions for policy.

FACTORS AFFECTING REDISTRIBUTION: Taxation.

17 APPS, Patricia (1982), 'Institutional inequality and tax incidence', **Journal of Public Economics,** 18, 217-42.

'This paper analyses the effects of taxation when inequality is not innate. A theory of institutional inequality is presented which employs a trade model with circular production and the theory of clubs. Inequality is introduced by constraints on entry into sectors and "local" groups within sectors. Individual time is treated as a fixed factor of production, and work and leisure are re-defined. The analysis suggests that when inequality is institutional and government policy does not alter the mechanisms by which institutions translate the distribution of power into the distribution of income, a redistribution of income by conventional tax-transfer schemes may not always be feasible.'

FACTORS AFFECTING REDISTRIBUTION: Taxation.

18 APPS, Patricia (1989), 'A comparative analysis of income tax and transfer options' in John G. HEAD (ed.) **Australian Tax Reform: In Retrospect and Prospect,** Conference Series No. 8, Sydney, Australian Tax Research Foundation, 249-71.

The purpose of this paper is to illustrate the rate structure changes implied by proposals for marginal tax cuts financed from revenue saved by a more stringently targeted welfare system. It also assesses them in terms of standard equity and efficiency criteria, using data from the ABS 1981-82 Income and Housing Survey unit record file. After analysing the distributional and earnings effects of tax packages with flatter marginal rates and joint-income-tested cash transfer schemes as well as tax options with universal cash transfers, the author finds that switching to a revenue-neutral proportional tax would result in a much less progressive tax system. Such packages have the overall effect of financing tax cuts for those in the top deciles of income by raising average rates for a wide band of middle income households. 'The schemes also shift a disproportionate share of the tax burden to working married women and their families.'

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

19 APPS, Patricia (1989), 'Welfare options under less progressive tax rates: an analysis of distributional effects for working families', **Australian Economic Review,** 88, 4th Quarter, 52-65.

'This study examines the distributional effects of tax-transfer options providing family welfare assistance under less progressive tax rates on income. Average tax rates are compared for a range of policies involving universal and targeted cash transfers for working couples and families. The analysis indicates the highly regressive impact of moving towards a proportional tax system and illustrates the inherent limitations of both universal cash transfer schemes and joint-income-targeted assistance in offsetting the adverse distributional effects of reducing the progressivity of marginal rates.'

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

20 APPS, Patricia F. and REES, Ray (1987), **Taxation and the Household,** Working Papers in Economics and Econometrics, No. 154, Canberra, Australian National University, 18pp.

'Previous analyses of demand systems and the welfare effects of taxing male and female labour supplies suppress the analysis of household resource allocation by assuming a household utility function. This paper shows that this is only permissible if the household allocates income exactly in accordance with the distributional parameters of the usual kind of **individualistic** social welfare function. To analyse the implications of assuming this is not the case, we construct a simple but fairly general model of household resource allocation and use the properties of the equilibrium of this model to characterise the effects of tax policy on individual utilities, as determined by the household resource allocation purposes.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Within household allocation, FACTORS AFFECTING REDISTRIBUTION: Taxation.

21 APPS, Patricia and SAVAGE, Elizabeth (1989), 'Labour supply, welfare rankings and the measurement of inequality' **Journal of Public Economics,** 39(3), August, 335-64.

'This paper presents an analysis of inequality using utility-based measures of welfare derived from different approaches to modelling household labour supplies. The Almost Ideal Demand System specification of preferences is selected for the estimation of a neoclassical household model and of individual decision models which incorporate different assumptions concerning the intra-household distribution of income using the Rosen (1976) tax perception methodology. The study also explores the implications of a model which does not constrain time at home to leisure. Welfare rankings and inequality measures defined on equivalent income are compared for each type of model. The analysis uses Australian unit record data on 3,352 households drawn from the Australian Bureau of Statistics 1981-82 Income and Housing Sample Survey file. The results indicate the sensitivity of welfare orderings and inequality measure to the choice of decision model and to the specification of lump sum transfers between family members. A comparative study of equivalent incomes and selected money income variables also illustrates the limitations of observed household and individual incomes as welfare indicators for the analysis of inequality and for policy design. The results suggest that observed household and individual incomes tend to be unreliable welfare indicators because they omit the value of time at home which is likely to be substantial for non-participating spouses, and that improvements may be possible by relying on alternative measures such as the income of the primary earner in the household.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Within household allocation.

22 AUSTRALIAN BUREAU OF STATISTICS (1975), **Income Distribution, 1968-69, Consolidated and Revised Edition,** Reference No. 17.17, Canberra, ABS, 65pp.

'A survey which was carried out in November 1969 at one half of the dwellings included in the quarterly population survey conducted in that month, provided information on the income of individuals and families for the year 1968-69 and on educational qualifications, level of schooling and labour force experience during the year.' The results have been published in three earlier bulletins. 'This bulletin brings together all of the tables previously published, but in a more convenient form: Tables 1-32 relate to families and Tables 33-67 to individuals. At the same time the opportunity has been taken to incorporate a number of amendments to the estimates.' A similar survey in respect of the year 1973-74 was conducted in November 1974, (see ABS Reference No. 17.27, 1976). This bulletin provides 'a background against which changes during the subsequent five years can be measured'. Other ABS statistics on income distribution appear at irregular intervals: readers should consult the catalogue of ABS publications. Some relevant numbers are 6501-6, 6522-3, 6537 (q.v.), 6545-6.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Education, employment.

23 AUSTRALIAN BUREAU OF STATISTICS, (1980), **Social Indicators, Australia, No. 3,** ABS Catalogue No. 4101.0, Canberra, 234pp. [No. 1 appeared in 1976]

Chapter 6 of this volume is concerned with income and social security, 'with the distribution of income and factors concerned with the amount of income an individual or family receives. It focuses attention also on persons in the lower end of the income distribution and on those whose income is derived principally from the Government social security system'. The introduction to this section describes the surveys carried out by the ABS since 1968 related to income and to expenditure. Some issues in interpretation of the data are raised.

Section 1 is concerned with the income distribution of individuals (using 1973-74 data), with particular emphasis on major factors associated with different income levels such as age, education and sex, and the effect of these factors on the equality of the distribution of income. Section 2 examines the income distribution of 'family groups' (or 'income units' as defined within the text), and is concerned with the spending unit rather than the actual individual recipient unit. 'In Section 3 the characteristics of income units at different levels of income are examined and from this can be drawn a profile of income units at the lower end of the income scale.' The final section of the chapter presents additional data on recipients of social security payments, drawn from the Departments of Social Security and Veterans' Affairs. Technical notes explain some of the methods and terms used in describing income distribution.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, gender, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

24 AUSTRALIAN BUREAU OF STATISTICS, (1984), **Social Indicators Australia, No. 4,** ABS Catalogue No. 4101.0, Canberra, 337pp.

This volume is similar to the earlier volume annotated above, but uses data from both the 1978-79 and 1981-82 ABS surveys. It also includes a section showing the effect of the use of 'equivalence scales' (defined in the text) on the estimation of income distribution. These are applied only to the 1978-79 data. An additional chapter in this volume contains data on welfare recipients.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, gender, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

25 AUSTRALIAN BUREAU OF STATISTICS, (1985), **Social Indicators Victoria, No. 1,** ABS Catalogue No. 4101.2, Melbourne, 379pp.

'By design, the structure and content of the Victorian Social Indicators No. 1, is on a similar basis to that adopted by ABS national Social Indicators publications Nos. 3 and 4.' Chapter 6 is thus concerned with income. 'The two major data sources used here are the 1981 Census and the 1981-82 Income and Housing Survey conducted by the ABS. Data from these sources are not directly comparable.' 'Section 1 presents 1981 Census data on the income of individuals cross-classified by a number of characteristics. Separate data are also presented concerning the income of employed persons. In the same way, Section 2 uses Census data to examine, for various characteristics, the way in which incomes vary across different income unit types.' Section 3 uses Survey data and presents a more refined analysis. It examines income distributions in detail, with the aid of two descriptive tools, decile class breakdowns and Gini coefficients. These concepts are outlined in detail in the technical notes at the end of the chapter.' Chapter 7 is concerned with social security and includes details of payments to pensioners and beneficiaries.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, gender, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

26 AUSTRALIAN BUREAU OF STATISTICS (1986), **Low Income Households. South Australia,** Australian Bureau of Statistics, Catalogue No. 403.4, 52pp.

This publication is intended to provide a statistical overview of low income in South Australia. The scope of the report is defined in terms of relative income. Data are presented to provide information about those households with adjusted incomes comprising the lowest twenty per cent of all household incomes, that is, that group of households which are most likely to be the subject of debate about poverty. Information is presented about the principal source of income for households and persons. Data are presented on the demography of the group, on housing, employment, health and welfare. The South Australian Department for Community Welfare presents a summary of the data and makes some observations. The second part of the publication contains detailed statistical tables, together with explanatory notes concerning the definitions used, methodology employed and reliability associated with each data source.

METHODOLOGY, DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Age, family, employment, gender, housing.

27 AUSTRALIAN BUREAU OF STATISTICS (1987), **1984 Household Expenditure Survey, Australia: The Effects of Government Benefits and Taxes on Household Income,** ABS Catalogue No. 6537.0, Canberra, 92pp.

The publication uses data on the distribution of incomes in Australia in 1984, collected in the 1984 Household Expenditure Survey, supplemented by data from other sources. It estimates the effects of government benefits and taxes on the level and distribution of household incomes. Results are presented classified according to deciles of gross household income, to type of household and to the age of the head of the household. The assumptions and data used in the study are spelt out in an Appendix.

DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

28 AUSTRALIAN INSTITUTE OF FAMILY STUDIES (1989), **Families and Tax in 1989,** AFIT Bulletin No. 5, Melbourne, Australian Institute of Family Studies, 56pp.

The Australian Families Income Transfer Project (AFIT) involves the development of a capacity to assess the impact of changes to, and proposals to change, the system of taxes and transfers. This report 'reviews the changes to the tax transfer system that have occurred in the past 12 years and assesses the effects of these changes on families of different types and income levels'. The study concludes that since 1984-85, 'real disposable incomes have fallen sharply for all income units dependent on one income.' However the proportion of couple families with both partners employed rose sharply in the same period. 'This growth of two-earner families indicates that some families have offset the falls in disposable income by increasing their work force participation.' The report argues that tax cuts are justified and recommends that they be targetted to middle income families, particularly those with children, and to low income single people who have not benefited from Family Allowance Supplement. The report puts forward a number of options for change, reviews each one and provides a proposal for change, indicating its cost to government and its impact on family incomes.

FACTORS AFFECTING DISTRIBUTION: Employment, family, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

29 AUSTRALIAN INSTITUTE OF FAMILY STUDIES (1989), **Families and the Tax Package,** AFIT Bulletin No. 6, Melbourne, Australian Institute of Family Studies, 27pp.

'This paper examines the impact of the changes in taxation provisions for 1989-90 announced by the Treasurer of the Commonwealth of Australia on 12 April 1989. It also discusses proposals for tax splitting or family rebates as possible future changes.' The assessment is made in terms of changes in the tax scale, changes in family payments and changes in the family-related rebates, as well as making an assessment of the overall impact of the package, and of its impact on low income families. An assessment of the impact of increased employment on family earnings is also made.

FACTORS AFFECTING DISTRIBUTION: Employment, family, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

30 **The Australian National Income and its Distribution** (1959), Report of a seminar arranged by the Australian Council of Salaried and Professional Associations and the Federal Council of University Staff Associations of Australia, Sydney, 177pp.

The seminar dealt mainly with the position of white collar workers in the economy. It is argued that white collar workers lost ground during the 20 years previous to 1959, and that both the purchasing power of salaries and the proportion of the national income which goes to salary earners should be at least restored to their pre-war levels. The main papers delivered were:

Some problems of national income distribution	J.R. WILSON
National income distribution in a changing economy	E.L. WHEELWRIGHT
Technological change and the national income	P.S. SHRAPNEL
Salaries and the national income	A.M. RICHARDSON

While the major part of the discussion concerns national income measurement and its distribution between sectors of the population, a contribution by T.W. BOYD addresses the problem of the effects of taxation on the salary earner. In their summary of the proceedings R.A. GOLLAN, Helen HUGHES and D.W. RAWSON report that after allowance has been made for difficulties of estimation 'it appears that the share of wages and salaries in the national income has risen from about 56 per cent in 1938-9 to about 62 per cent in 1957-8. However, wages and salaries per employee have risen less than the national income per head of population; less than total personal income per head of population; and less than company income per head of population. The average employee's income has also risen less than that of the average farmer or businessman. Employees, in short, have received a less than proportional amount of the increase in national income which has occurred since 1939.' Tables illustrating these arguments appear in the paper delivered by Richardson.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, FACTORS AFFECTING REDISTRIBUTION: Taxation, WAGES, WEALTH.

31 AUSTRALIAN TAX RESEARCH FOUNDATION (1989), **Consumption Taxes: Everyone's Guide to the Pros and Cons,** Information Series No. 1, Sydney, ATRF, 56pp.

'The purpose of this booklet is to examine the pros and cons of a broad-based consumption tax, as a contribution to public awareness of the effects which would follow its introduction as a measure of tax reform.' It begins by asking why there should be a change in the tax mix, then presents a short history of consumption taxes in Australia. The types of taxes possible are canvassed. In the following section, on the economic effects and policies to cope with them, there is a short section on the effects on income distribution and on the compensation issue.

FACTORS AFFECTING REDISTRIBUTION: Taxation.

32 BEGGS, John and CHAPMAN, Bruce (1988), **The Forgone Earnings from Child-Rearing - in Australia,** Discussion Paper No. 190, Centre for Economic Policy Research, Canberra, Australian National University (Commissioned by the Australian Institute of Family Studies), 55pp.; a summary appears as 'Forgone earnings from child-rearing', **Family Matters,** 21, August, 35-6.

The authors used data from the Family Formation Survey collected under the auspices of the Australian National University Research School of Social Sciences in April 1986 to determine the extent of earnings forgone through the process of child-rearing in Australia. They describe the range and limits of their study and the method used to calculate their results. 'The calculations suggest that, in 1986 terms, a typical women forgoes over $300 000 in her lifetime from having a first child and around an additional $50 000 and $35 000 for second and third children respectively. Relative to lifetime earnings of childless women, one, two and three children reduce earnings by about 53 per cent, 61 per cent and 67 per cent respectively.'

FACTORS AFFECTING DISTRIBUTION: Family, gender, WOMEN.

33 BEGGS, John J. and CHAPMAN, Bruce J. (1988), 'Immigrant wage adjustment in Australia: cross section and time series estimates', **Economic Record,** 64(186), 161-67.

'Cross-sectional estimates of the comparative age performance of natives and immigrants can be distorted if there are changes in labour market quality between immigrant cohorts. This question is investigated with a study of 1973 and 1981 cross-sections of Australian migrants. We find that migrants from non-English-speaking countries entering Australia about 1965 perform significantly better between 1973 and 1981 than predicted from the 1973 cross-section. Migrants from English-speaking countries time-series wage performance is consistent with the 1973 cross-section prediction. The paper interprets the analytic importance of these results.'

CHANGES OVER TIME, WAGES, IMMIGRANTS.

34 BEGGS, John J. and CHAPMAN, Bruce J. (1988), **Immigrant Wage and Unemployment Experience in Australia,** Discussion Paper No. 200, Centre for Economic Policy Research, Canberra, Australian National University, 24pp; an abridged version is published as 'The international transferability of human capital; immigrant labour market outcomes', in Lyle BAKER and Paul MILLER (eds), **The Economics of Immigration,** Canberra, AGPS, 143-57.

This paper applies non-parametric regression techniques to models of wage determination and probit analysis of unemployment probabilities to investigate the role of education as a determinant of immigrant success. 'The major contribution of this paper is to allow the effects of education to vary, with some intriguing results for Australia.' As the measured level of schooling increases, the wage and unemployment experience of immigrants systematically deteriorates, compared to like-natives. The paper makes a number of possible interpretations of these results but makes no attempt to test their efficacy.

FACTORS AFFECTING DISTRIBUTION: Education, WAGES, IMMIGRANTS.

35 BENTLEY, Philip, COLLINS, D.J. and DRANE, N.T. (1974), 'The incidence of Australian taxation', **Economic Record,** 50(132), December, 489-510.

'This paper estimates the incidence of total Australian taxation in 1966-67, the incidence of taxation at the Federal, State and local government levels and of some individual direct and indirect taxes.' The paper describes the data sources, their limitations and the methodology used. Some implications are drawn and changes in taxation policy are canvassed. The authors conclude that 'the Australian tax structure is regressive in the low income ranges'.

FACTORS AFFECTING REDISTRIBUTION: Taxation.

36 BENTLEY, P.R., COLLINS, D.J. and RUTLEDGE, D.J.S. (1975), 'Incidence of Australian taxation: some further results', in TAXATION REVIEW COMMITTEE, **Commissioned Studies**, Canberra, AGPS, 185-99.

This paper follows earlier work by two of the authors (see Bentley, Collins and Drane, 1974) and uses different assumptions to test the validity of their conclusions. The results confirm the regressive incidence of total taxation at low income levels 'even under the most extreme and unrealistic incidence assumptions'. They also conclude that there is a 'large middle group of households who are comparatively under-taxed in that they pay a lower proportion of their income in tax than do either the very poor or the very rich'. The effects of a change in the tax system are discussed.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

37 BENTLEY, Philip, COLLINS, D.J. and RUTLEDGE, D.J.S. (1979), 'Estimating the distributional effects of taxation', **Australian Economic Papers,** 18(32), June, 36-51.

This paper proposes 'a method for estimating the distributional effects of taxation which has certain advantages over previously used methods. First, in emphasizing the distinction between behavioural and incidence assumptions it permits a more theoretically sound and consistent estimation of the incidence of the overall tax system and of individual taxes under a wide variety of shifting assumptions. Secondly, it explicitly treats the question of taxes on inputs which permits, with appropriate data, estimation of their individual incidence. Thirdly, it permits the estimation of the incidence of personal income tax under assumptions of partial or full forward shifting. Finally, it lends itself to being programmed thus enabling comprehensive sensitivity testing, ready revision of results upon provision of more recent data and the establishment of an international basis for tax incidence estimation and comparison.'

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

38 BERRY, M.J. (1987), 'Inequality', in Sol ENCEL and Michael BERRY (eds), **Selected Readings in Australian Society: An Anthology,** Melbourne, Longman Cheshire, 86-135. An earlier version appears in A.F. DAVIES, S. ENCEL and M.J. BERRY (eds) (1977), **Australian Society: A Sociological Introduction,** Third Edition, Melbourne, Longman Cheshire, 18-54.

The essay begins by discussing concepts of inequality which have concerned social theorists before examining the pattern of economic inequality in Australia, in particular the distribution of income and wealth. 'This focus has been chosen both because of the subject's intrinsic importance and its implications for other dimensions of social inequality.' Data are analysed from the reports of the Commissioner for Taxation to the Parliament, for a number of years over the period 1922-23 to 1982-83, for before-tax income, using both distribution by deciles and by preparing Lorenz curves. The results show that incomes became more equalised, though most of the equalisation occurred in the first twenty years of the period studied. It also shows that the changes have benefited middle incomes more than lower-middle groups. Data gathered by ABS for the years 1968-69, 1973-74, 1978-79 and 1981-82 are also examined. Results here indicate an increase in inequality in the 1978-82 period, family income tends to rise with family size. It is also shown that men have higher incomes than women, income received by women is more unequally distributed than that received by men, and that income varies with age.

Data about wealth distribution are also examined, though they are not of such a dependable quality. The author finds that it is possible 'that relative wealth shares have remained constant or even become more unequal since the Second World War'. The effects of inflation and the contribution of home ownership to inequality are discussed. Some international comparisons are made. Measurement problems are raised, including those related to tax evasion and avoidance. The impact of government policies on the redistribution of income is assessed. The chapter ends with discussions of the causes of inequality, the morality of inequality and the possibility of public policy having any effect.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Age, family, gender, housing, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH, JUSTICE.

39 BLANDY, Richard (ed.) (1977), 'Migrant workers in Australia: industrial cannon fodder?', **Australian Bulletin of Labour,** 3(2), April, 20-31; other authors: G. BOUNDY, S. CHUNG, P. CRONIN, T. DAVIES, T. FALLON, D. IVE-SMITH, D.P. RINTOULE, G. SCHUBERT and D. THOMPSON.

The article investigates the differences in income between migrants and native-born Australians as shown in data released by the ABS. It examines two possible explanations, the human capital theory, and the theory of dual (or segmented) labour markets. It concludes that if there is a segmented labour market it is confined to recently arrived non-English speaking migrants, but that 'the human capital explanation of differences in labour market outcomes between migrants and non-migrants seems more in tune with the evidence'.

FACTORS AFFECTING DISTRIBUTION: Education, employment, IMMIGRANTS.

40 BONNELL, Sheila, DIXON, Peter and MEAGHER, G.A. (1984), **A Description of Income Distribution in Australia: 1973/74 to 1981/82,** Discussion Paper No. 85/04, Canberra, Office of Economic Planning Advisory Council, 187pp.

'This paper describes income distribution in Australia. It uses data from the income surveys conducted by the Australian Bureau of Statistics for the years 1973-74, 1978-9 and 1981-2.' The main conclusions reached show that the level of labour force involvement is a major determinant of the mean incomes of groups in Australia; the incomes of males are, on average, considerably higher than those of females; age, occupation, qualifications and birthplace are not significant determinants of income inequality; the poorest group is one-parent income units with female heads; Australian incomes were not found to be highly egalitarian; welfare payments between 1973-4 and 1978-9 reduced income inequality during that period; the 1978-9 survey shows that post-tax income is distributed more equally among income units than gross income and that gross income is distributed more equally than gross income less government cash benefits. The analyses found 'no convincing support' for the assertion that Australia has a low level of income inequality in comparison with other countries.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, family, gender, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

41 BOROWSKI, Allan (1984), 'The role of microanalytic simulation models in the analysis of Australian retirement income policy', **Australian Journal on Ageing,** 3(2), May, 10-15.

'It is the contention of this paper that the development of Australian microanalytic simulation models will offer an especially useful tool for analysing the effects of retirement income policy on the economic situation of the aged. In contrast to the contemporary practice of casting the impacts of policy in aggregate terms, microanalytic simulation generates data that permit addressing the more central questions of the size and distribution of retirement income. This paper describes microanalytic simulation and illustrates its application to the retirement income policy domain.'

METHODOLOGY, RETIREES.

42 BOUDVILLE, S.E. (1984), 'Age-income profiles by qualifications and sex in Western Australia, 1981', **Professional Administrator,** 36(5), December, 243-4.

'According to the Human Capital concept, an increase in education enhances a person's productivity, thereby enabling that person to earn a higher income.' The article examines the age-income profiles by qualifications and sex in Western Australia, using data from the 1981 Australian Census of Population and Housing **Census Cross Classified State Tables.** Three graphs are presented, one for males, one for females (both by qualifications and age) and 'age-income profiles of business and non-business Bachelor Degree holders by sex in Western Australia in 1981'. These graphs are interpreted. They suggest that education increases the incomes of both males and females in several ways. The results are compared with those presented in MILLER, P.W. (1981) (q.v.).

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, gender.

43 BOULTON, E.A. (1954), 'The pattern of Australian incomes', **Economic News,** 23(9), September, 1-4.

Data derived from annual reports of the Commissioner of Taxation are presented for the number and percentage of taxpayers in seven income groups for the years 1943-44 to 1950-51. 'Up to 1945-46 total incomes were declining. This being reflected by the decreasing proportions in the higher income groups and the consequent increase in the proportion of those in the lowest group. In subsequent years this trend was reversed with ever-increasing numbers going into the higher groups.' The uneven distribution is further indicated by comparing the proportion earned in each half of the distribution for the first and last years in the series. The author applies Pareto's law to the data and confirms his conclusions. 'It is evident that the inflation and rising incomes that followed the war did not result in a more even distribution, but rather the reverse, a larger proportion of the increasing wealth going to those in the higher income groups...' Inequalities between the States and between industries are also discussed.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Economic conditions.

44 BRADBURY, Bruce, DOYLE, Jennifer and WHITEFORD, Peter (1990), **Trends in the Disposable Incomes of Australian Families,** SPRC Discussion Paper No. 16, Kensington, Social Policy Research Centre, University of New South Wales, 73pp.

'This paper describes and assesses trends in the disposable incomes of Australian families between 1982-83 and 1989-90. The paper's results are based on the 1985-86 Income Distribution Survey adjusted by micro-analytic simulation techniques to reflect changes in employment and earned and unearned incomes, as well as developments in the personal income tax and social security systems. A model of factors influencing mortgage repayments is also developed and used to assess trends in housing costs and in incomes after housing costs are deducted. Overall, the paper estimates the increase in median real family incomes to be around 6.5 per cent between 1982-83 and 1989-90. Excluding farming families, this increase is reduced to only 3.3 per cent. The family types with the smallest income growth have been single young people and couples with children, whose real median incomes have remained essentially stable over the period (for non-farming families). Real mortgage repayments for house purchasers are estimated to be an average of $48 per week higher in 1989-90 than they would be if housing and finance markets had remained unchanged. The average purchaser aged under 30 years, however, is estimated to be paying $79 per week more in real terms. Over all tenures, real housing costs are estimated to have increased by an average of $14 per week.'

The authors conclude that 'increases in employment and income support for families with children over the last seven years have significantly improved the circumstances of the poorest groups. The rise in capital incomes does also seem to have benefited the very rich and those with significant savings (e.g. the middle class aged). Middle income families however, have not done so well, particularly when incomes after housing costs are considered'.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, family, housing, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

45 BRADBURY, Bruce, GARDE, Pauline and VIPOND, Joan (1985), **Bearing the Burden of Unemployment - Unequally: A Study of Australian Households in 1981,** SWRC Reports and Proceedings No. 53, Kensington, Social Welfare Research Centre, University of New South Wales, 102pp.

The report is concerned with the incidence and impact of unemployment within households, based on data from the Household Sample file of the 1981 Census. It includes an analysis of incomes, comparing average income levels within households of employed and unemployed persons, which indicates that unemployment was associated with low per capita incomes in households. The incidence of unemployment was higher among households where employed members had low incomes.

FACTORS AFFECTING DISTRIBUTION: Employment.

46 BRAIN, Peter et al. (1985), **Reform of the Australian Tax System, Paper Two: A Quantitative Evaluation of the Income Distribution and Macroeconomic Effects,** D47/85, National Institute of Economic and Industry Research for the Australian Council of Trade Unions, 75pp. Other authors: William FUNG, Anthony KING and John PERKINS.

'This document contains a preliminary assessment of the income distributional and macroeconomic effects of the Government's preferred tax reform proposal. By way of background material, it provides a brief description of the kind of research that was undertaken to produce the report.' The impact on income distribution of the option is based on data from the ABS 1981-82 Income and Housing Survey. The macroeconomic implications of the tax proposal are assessed taking into account the distributional effects determined. Various factors incorporated into the model used in the estimations are discussed.

The results indicate that in broad terms 'the design of the preferred tax option leads to a shift in the burden of taxation from direct to indirect taxes without any undue adverse longer term macro-economic effects.' Other implications are also discussed.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

47 BRAITHWAITE, John (1988), 'Economic policy: what the electorate thinks', in Jonathan KELLEY and Clive BEAN (eds), **Australian Attitudes,** Sydney, Allen and Unwin, 26-35.

The chapter summarises the major findings of the National Social Science Survey which relate to 'the shape of the policies that Australian would like to see the Commonwealth government adopting on the economy'. The findings show that 'Australians are in favour of redistribution of wealth from rich to poor as an abstract principle and as a tangible taxation policy, but on the expenditure side of the budget do not strongly support spending on the poor'.

JUSTICE.

48 BRENNAN, Geoffrey (1975), 'A policy-makers guide to incidence', in TAXATION REVIEW COMMITTEE, **Commissioned Studies,** Canberra, AGPS, 19-45.

The paper is concerned with concepts and definitions of the terms used in discussing and analysing taxation. It is specifically concerned with 'incidence' which is defined thus: 'the incidence of a budgetary operation is its effect on the levels (and distribution) of individuals' incomes, defined in real terms, in the short or long run', though the author also considers the questions raised by the definition itself. It is concluded 'that the results generated by the theoretical apparatus which economists customarily employ in treating incidence questions are quite sensitive to changes in a number of the assumptions normally made', and that the analysis of incidence questions is 'perhaps better regarded as a conceptual device for handling the problems than as a "sure-fire" supplier of correct answers'. An appendix to the paper considers empirical studies of taxation incidence in personal income tax and company income tax. The author concludes that although 'the theoretical and empirical apparatus which economists use is not capable of supplying unequivocal answers to incidence questions', the economist's approach can be 'extremely powerful in exposing specious reasoning, and in delimiting the range of possible answers'. Some suggestions are made for making allowance for uncertainties involved.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

49 BRENNAN, Tom (1982), 'The redistributive function of social security', in Ronald MENDELSOHN (ed.), **Social Welfare Finance: Selected Papers,** Centre for Research on Federal Financial Relations, Australian National University, Canberra, ANU Press, 3-13.

The article is concerned with the question of whether social security programs are (or should be) redistributive, and the complexity of the analysis required to discover whether it is so. The analysis deals with social security and not with any of the other social services. Data are presented from the report of the Taxation Review Committee (1975), including inequality measures for original income, gross income, disposable income and disposable income plus imputed rent. One section of the article examines progressivity of funding and benefits. The author argues that 'the most obviously progressive method of financing a social security system is that used by Australia and New Zealand, i.e. out of general revenue from a progressive taxation system', and constructs a scale leading in steps from this to the least progressive which is 'flat rate funding'. Similarly, a scale of progressivity of benefits is constructed. The next section of the article ranks countries according to both scales, and graphs their redistributive effects.

Although Australia can be regarded as a 'welfare laggard' in terms of percentage of GNP spent on social security, it has the most progressive arrangements. 'Almost all comparative studies on social security spending concentrate on the proportion of GNP **spent** as the interesting characteristic of each country's arrangements. What has been said now suggests that it is the proportion which is **redistributed** which ought to claim our attention.'

FACTORS AFFECTING REDISTRIBUTION: Welfare transfers, INTERNATIONAL COMPARISONS, JUSTICE.

50 BRIGDEN, J.B. (1922), **The Economics of Lyell,** Hobart, University of Tasmania, 32pp.

This booklet is one of a series of publications produced by the Workers' Educational Association, to provide 'sound economic literature upon Australian economic problems'. It is intended to illustrate 'the sources of income and the forces governing its value and distribution', with particular reference to the copper industry at Mount Lyell in Tasmania. In an appendix the author includes estimates of the distribution of income in Australia in 1915 based upon the figures of the then Commonwealth Statistician, G.H. Knibbs, from the War Census Report. He comments on the incomplete nature of the data relating to income and calculates that 'of all in receipt of over £100 a year only a little over 4 per cent received more than £500. In all, this 4 per cent received about 19 per cent of the total income.' The appendix includes estimates of private wealth, income from property, total income in Australia and income from property as compared with income from work. Another appendix examines the effect of war on income from property.

DEGREES OF INEQUALITY, WEALTH.

51 BROOM, Leonard and JONES, F. Lancaster (1976), **Opportunity and Attainment in Australia,** Canberra, ANU Press, 154pp.; with the collaboration of Jerzy ZUBRZYCKI.

One chapter of this book which 'sets out to portray the patterns of social inequality as they existed in Australia in the mid-1960s', is concerned with wealth and income. (Others deal with education, social origins and achievement, occupational structure and occupational change, class, mobility and process of occupational achievement and social strata). The chapter discusses the difficulties involved in estimation of the distribution of personal income, the concentration of wealth and the extent of poverty, particularly because of the deficiencies in data. The authors review the available statistics and present data from a number of studies. A section is included on sources of income inequality which are discussed in relation to sex, age, education and occupation.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, gender, WEALTH.

52 BROOM, Leonard, JONES, F. Lancaster and ZUBRZYCKI, Jerzy (1968), 'Social stratification in Australia', in J.A. JACKSON (ed.), **Social Stratification,** Sociological Studies I, Cambridge University Press, 212-33.

The paper 'reports the preliminary results of a nationwide survey designed to provide a first approximation to delineating the social stratification of Australia.' The survey 'sought information on five measures of social rank. Two of these were subjective measure of rank position (subjective social class identification and interviewer's assessment of the respondent's "economic class"), and three were objective attributes of the respondent: income, occupation, and education.' The results suggest 'a close association between subjective social class identification and income level'.

FACTORS AFFECTING DISTRIBUTION: Class.

53 BROOM, Leonard, et al. (1980), **The Inheritance of Inequality**, London, Routledge and Kegan Paul, 196pp. Other authors: F.L. JONES, Patrick MCDONNELL and Trevor WILLIAMS.

The book presents results from a national survey undertaken in 1973 on social mobility and social stratification, results relating only to the males in the survey. A number of variables are discussed including the socioeconomic background and attainment of respondents, education and 'career contingencies' as well as wealth and income. The chapter on status and income includes data on the relationship between status and income and age, experience, mother-tongue, industry and unions, as well as income of owners, managers and workers. 'In general, direct effects of social background variables are negligible, since income variation is explained mainly by attainments gained after labour force entry'. However, the data demonstrate 'a significant degree of inequality is transmitted from generation to generation' and the authors examine the mechanisms through which that transmission occurs.

FACTORS AFFECTING DISTRIBUTION: Class, education, employment.

54 BROWN, H.P. (1957), 'Estimation of income distribution in Australia', in Milton GILBERT and Richard STONE (eds), **Income and Wealth** Series VI, International Association for Research in Income and Wealth, London, Bowes and Bowes, 202-38.

'Australian interest in the size distribution of incomes over the past thirty years has been mainly for practical administrative purposes', these purposes being related to the relative taxable capacity of the States and the determination of grants from the central government; later it was related to wartime income tax policy. The author distinguishes between size distributions of income of spending units and the size distributions of income of productive units. 'These may be described respectively as the welfare approach and the production approach', though because of the nature of the statistics there is usually 'a blending of the two approaches'. Deficiencies in the tax statistics are discussed. They include the problems of delayed assessments, tax evasion, and tax avoidance. The author also is concerned about the meaning of the measures. 'It is quite possible for income to become more equally distributed within each group and yet for the differences between groups to be accentuated. In such circumstances it is of little meaning to say that income distribution has become more or less unequal merely because some inequality measures for the aggregate of all groups shows this result.' The main part of the paper presents and interprets estimated income distributions for males and females separately, in twelve quinquennial age groups; for employees, proprietors and rentiers; and for the six states. These were derived from income tax statistics for the year 1942-43 and the partial census of June 1943. Other year distributions are also included and the methodology and problems explained. The author also introduces the concept of an 'inferiority index' and presents results for a number of industries.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, class, gender, FACTORS AFFECTING REDISTRIBUTION: Taxation.

55 BROWN, Henry Phelps (1977), **The Inequality of Pay**, Oxford University Press, 360pp.

This general discussion of 'differences in the earnings of different kinds of labour as a major source of inequalities of income', includes evidence from Australian sources (among others) to throw light on the author's argument. He is concerned with the question of 'how far inequality of pay is imposed by market forces and how far by custom, convention, by status, class and power'. The book looks at both differences between the average pay in different occupations and the distribution of individual earnings, comparing and contrasting the explanations for these differences given by economists and sociologists.

FACTORS AFFECTING DISTRIBUTION: Class, employment, WAGES.

56 BROWN, William and FULLER, Don (1978), 'The impact of over-award pay upon the Australian wage structure', **Australian Bulletin of Labour,** 5(1), 34-42.

The article draws on hitherto unpublished surveys of over-award pay in the metal industries. 'This study has two concerns. The first is with the way in which over-award payments have modified the pay structure established by basic awards in the metal industries. In particular, what have they done to the differential between states, between sexes, and between skill levels. The second concern is with the dynamics of over-awards. How has their contribution to pay increases varied under changing Commission policy in recent years?'

WAGES.

57 BROWN, William et al. (1978), 'How far does arbitration constrain Australia's labour market', **Australian Bulletin of Labour,** 4(4), September, 31-9; other authors: John HAYLES, Barry HUGHES and Lyndon ROWE.

'This article asks how far (Australia's) unique method of fixing pay gives rise to a unique pay structure, and how far this might be harmful to economic efficiency by comparison with other countries. First, a comparison is made of the dispersion of pay within occupations in local labour markets in Australia, Britain and America. Second, we compare the apparent range of discretion available to employers to tailor the internal pay structures of their plants to their managerial needs in Australia as compared with Britain. Finally, we study the incidence of over-award payments in Australia, and look for signs that they might be used to compensate for levels of awards that fail to take heed of labour market pressures.' The Australian data analysed is from a survey carried out in 1974 in Adelaide. The results show that, except for skilled manual workers, little difference is found in the scatter of earnings within an occupation in the three countries examined. Results for skilled workers are more equivocal.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, WAGES.

58 BROWN, William et al. (1980), 'Occupational pay structures under different wage fixing arrangements: a comparison of intra-occupational pay dispersion in Australia, Great Britain and the United States', **British Journal of Industrial Relations,** 18(2), July, 217-30; other authors: John HAYLES, Barry HUGHES and Lyndon ROWE.

'There are sharp contrasts between the arrangements that different countries have for fixing pay. They differ in the degree of reliance upon the law and in the use of collective bargaining. This study is concerned with the extent to which these institutional differences affect intra-occupational pay dispersion in local labour markets. A statistical comparison made of three cities in Australia, Great Britain and the United States. The three cities for which the data is analysed are Adelaide, Coventry and, on a more limited basis, Chicago. The article describes the surveys, the pay-fixing institutions, 'information flows', job descriptions and contemporary changes in pay. Results are compared with a number of other studies carried out at various times. The major finding of this study is the similarity of intra-occupational pay dispersion in the three countries.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, WAGES.

59 BROWNLEE, Helen (1987), 'Family Assistance Program', **Family Matters,** 19, October, 4-7.

The article describes the Governments' new Family Assistance Program which is designed to assist low-income families with children. The changes include the new Family Allowance Supplement (FAS), a uniform rental assistance payment for FAS recipients, a new non-income tested child disability allowance and income testing of family allowances. The article analyses the policies and discusses them with particular reference to poverty alleviation.

FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

60 BUHMANN, Brigitte, et al. (1988), 'Equivalence scales, well-being, inequality, and poverty: sensitivity estimates across ten countries using the Luxembourg Income Study (LIS) Database', **Review of Income and Wealth,** Series 34(2), June, 115-42; other authors: Lee RAINWATER, Guenther SCHMAUS and Timothy M. SMEEDING.

'The Luxembourg Income Study (LIS) database on which this article is based offers researchers exciting new possibilities for international comparisons based on household income microdata.' 'The purpose of this paper is to review the available equivalence scales and to test the sensitivity of various income inequality and poverty measures to choice of equivalence scales using the LIS database. The results of our analysis indicate that choice of equivalence scale can sometimes systematically affect absolute and relative levels of poverty; and inequality and therefore rankings of countries (or population subgroups within countries). Because of these sensitivities, one must carefully consider summary statements and policy implications derived from cross-national comparisons of poverty and/or inequality.' Australia is one of the ten countries included in the analysis.

METHODOLOGY, INTERNATIONAL COMPARISONS.

61 BURBIDGE, Andrew (1976), 'Income distribution and public housing', **Ekstasis,** 13, September, 9-11.

'This paper suggests that public housing authorities have done relatively little to reduce economic inequality.' 'The survey of incomes carried out by the Bureau of Statistics in 1973 found that the total number of renters with incomes below the poverty line was significantly smaller than the total number of units of rental accommodation owned by public housing authorities. This means that all poor renters could be housed in Commission rented accommodation if the Housing Commission reserved their rental units exclusively for tenants below the poverty line. The survey found that far less than half of poor renters were housed by the Housing Commission, the rest renting, as best they can, from private landlords.'

FACTORS AFFECTING DISTRIBUTION: Housing.

62 BURBIDGE, Andrew and BROWNLEE, Helen (compilers) (1985), **Income Redistribution Through Tax and Social Security,** AFIT Bulletin No.2, Melbourne, Institute of Family Studies, 45pp.

The first part of this Bulletin examines the changes in income tax provisions and social security payments introduced in the 1984-85 Budget. The second part 'outlines three means of assessing changes in redistributive programs over time, and then uses these measures to evaluate changes in income redistribution programs and policies in the period since the current system of family allowance payments was introduced in 1976-77'. Comparison of the results of the three methods of assessment leads to several conclusions: measures introduced in the 1984-85 Budget reduced inequality, providing significant assistance to low and middle income groups; measures such as the introduction of the Family Income Supplement in 1982 resulted in more equal sharing of income; these measures have reduced levels of poverty and inequality revealed by the 1981-82 Income and Housing Survey, though they have not yet reversed the regressive changes to the pattern of income distribution which occurred in the years after 1976-77.

Some pensioners and beneficiaries are shown to be still worse off in real terms than they were in 1976-77. Moreover the disposable incomes of many pensioner and low income working families have fallen relative to those higher incomes. Inequality of disposable incomes, as shown here, is greater than in 1976-77.

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

63 BURBIDGE, Andrew and MAAS, Frank (1984), 'Throwing out the baby ... the need to examine the unintended effects of tax transfer proposals', in **Key Papers**, Part 2, Twentieth International CFR Seminar on **Social Change and Family Policies**, Melbourne, Australia, August 1984, sponsored by the Australian Institute of Family Studies, 677-700.

The paper focuses 'on the tax transfer system as one area of social policy under intensive scrutiny as a result of changes in society and in families'. 'In order to counter unwanted side effects of various components of changes, numerous complementary alterations must be enacted together. The paper proposes that as much should be done as is possible within the bounds of the analytic tools available to assess the actual outcomes, including those unintended effects that often go unforeseen.'

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

64 BUTLIN, N.G. (1983), **Trends in Australian Income Distribution: A First Glance,** Working Paper No.17, Working Papers in Economic History, Department of Economic History, Research School of Social Sciences, Canberra, Australian National University, 34pp.

In this paper the author explores whether income distribution over long periods of time can be measured in Australia and some of the limitations in comparing Lorenz curves over long periods. An illustrative estimate for NSW in 1901 is compared with ABS estimates for 1968-69. A second question is the stability of income distribution. If it changes slowly, few years need to be covered. The paper looks at the ratio of unskilled to skilled wage rates and takes a first look at pastoral income measures or proxies. Finally the paper takes up the measure of income distribution in the public sector.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, WAGES.

65 CARNEY, Terry and HANKS, Peter (1986), **Australian Social Security Law, Policy and Administration,** Melbourne, Oxford University Press, 335pp.

'The prime focus of this work is on inequalities in income and health status', and on the programs which address those inequalities. The review of these programs is intended to 'determine whether inequalities are to be corrected or merely ameliorated'. Studies show that there has been a reduction in inequality of income over a 70 year period, but that concentrations of wealth are more pronounced than concentrations of current income. 'Inequalities of income, wealth or health status do not exist in a vacuum', but have structural determinants. Economic imperatives, and the impact of factors of class and gender, as well as the contribution made by socially imposed life cycle dependencies, all contribute to the production and maintenance of inequality. Factors personal to the individual are neither the only nor the major causal variables. The book makes an attempt 'to isolate the various external factors which account for people finding themselves in the lower reaches of the income, wealth and health status distributions'. It includes an historical perspective of the development of factors affecting social security policy.

FACTORS AFFECTING DISTRIBUTION: Class, gender, WEALTH, JUSTICE.

66 CASS, Bettina (1983), 'Division of welfare in the recession: the political limits to redistribution, revisited', in Jo JARRAH (ed.), **53rd ANZAAS Congress: SWRC Papers**, SWRC Reports and Proceedings No. 31, Kensington, Social Welfare Research Centre, University of New South Wales, 2-32.

The author discusses the recession in the 1970s, which was accompanied by rising inflation and unemployment. With the decrease of economic growth came political, if not fiscal limits to redistribution so that the 80s became a period of increasing demands on the state at a time when the capacity of the economy was diminishing. Fiscal welfare (benefits and allowances transferred through the tax system), and occupational welfare (non-wage benefits associated with remuneration for paid work) disproportionately benefit those least affected by the recession, are relatively hidden and remain free from the kind of attack to which recipients of social security are subjected. Their effects are regressive, resulting in distribution away from those excluded from paid labour and from those in insecure low-paid jobs. Reforms to the personal income tax system and to the social security system are suggested.

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, occupational welfare.

67 CASS, B. (1983), 'Taxation and social policy', **Taxation Reform: University of New South Wales Occasional Papers** No. 8, Public Affairs Unit, University of New South Wales, 14-17; also SWRC Reprint No. 14, Kensington, Social Welfare Research Centre, University of New South Wales.

Taxation is generally understood to be the raising of government revenue to finance public expenditure, while social welfare is seen as the disbursement of cash transfers and other social services. This paper argues that the separation is misleading and that one of the major purposes of the tax system has been to alter the distribution of income according to principles of horizontal and vertical equity. However, recent analysis has shown that the tax burden has shifted, since 1976, from those who derive income from property and business towards wage and salary earners. Tax avoidance and evasion have added to the subversion of the progressive intention of the tax system. Officially sanctioned exemptions from the tax base also confer selective benefits on certain categories of tax payers. Fiscal welfare and fringe benefits are examined to show their regressive impact. Superannuation tax concessions benefit high income-earners who receive, in effect, public expenditure support for their savings for retirement while other measures operate to keep incomes relatively low for retired people whose pay did not provide for retirement benefits. Home owners also benefit selectively from some tax measures. The paper examines the 'poverty trap' which results from the overlap of tax and social security policies for low-income recipients. Measures to redress the situation are suggested.

FACTORS AFFECTING DISTRIBUTION: Housing, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, occupational welfare.

68 CASS, Bettina (1985), 'Rewards for women's work', in Jacqueline GOODNOW and Carole PATEMAN (eds), **Women, Social Science and Public Policy,** Sydney, George Allen and Unwin, 67-94.

The paper 'identifies the contributions to social thought and social policies made by earlier feminist activists who from the 1920s challenged the dominant dichotomies of work and non-work, the relegation of men and women to these supposedly separate spheres of human activity and the economic, social and political injustices that women suffered as a result'. The concept and history of the 'family wage' is discussed. The change in the rate of female employment is charted. Data on income sources for men and women are also presented (using ABS sources). Women are shown to be vulnerable to poverty. 'Even though changes in primary income distribution through earnings from market work and redistribution through the tax/transfer system have increased the overall share of income to women in the period 1968-69 and 1981-82, formidable obstacles remain in the pursuit of income justice.'

FACTORS AFFECTING DISTRIBUTION: Gender, WOMEN.

69 CASS, Bettina (1986), 'Women, income distribution and housing policy', **Australian Social Work,** 39(2), June, 5-14.

'The formulation of housing policies which will provide adequate, secure and affordable accommodation for women and their dependents must be based on an understanding of women's position in the income distribution and in the labour market. The objectives of this paper are to outline the changes in women's receipt of income in the period 1968-69 to 1981-82; the trends in the incidence of poverty for women-headed families and the trends in the housing situation of women-headed households over the same period. The housing needs of single women and of sole parents with children as revealed in recent surveys of the housing market and government housing policies are discussed, in order to draw out the implications for women-centred housing policy debates. This involves not only questions on the nature of housing tenure (that is, owner-purchaser, private or public rental), and the extent of government provision and subsidy to the various types of tenure, but also of the location of housing in relation to employment opportunities, public transport, childcare and other services and amenities. Housing policies for women must be placed in the context of the distribution of economic and social resources in the broadest sense, taking account not only of the current distribution of income, but of the distribution of resources for earning future income.'

FACTORS AFFECTING DISTRIBUTION: Housing, WOMEN.

70 CASTLES, Ian (1987), 'The effect of government benefits and taxes on household incomes: estimates for Australia and other countries', in Peter Saunders (ed.) **Redistribution and the Welfare State: Estimating the Effects of Government Benefits and Taxes on Household Income,** SWRC Reports and Proceedings No. 67, Kensington, Social Welfare Research Centre, University of New South Wales, 1-38; with comments by Peter SAUNDERS, 39-46.

'In all market economies, the observed distribution of after-tax incomes (however defined) differs markedly from the observed distribution of market incomes; and the scale and composition of these differences themselves differ markedly between countries.' 'The objective of this paper is to identify and quantify some of these differences. The observed distributions of household incomes in Australia, according to various definitions, are compared with those of four other countries; and the observed distributions of direct and indirect benefits and taxes which "explain" the differences in income distributions are also compared.' The countries compared are Australia, New Zealand, Sweden, the United Kingdom and the United States. The factors examined are direct benefits, direct taxes, and all direct transfers, adjustment for household size, and indirect benefits and taxes. The paper includes comments on some criticisms.

Comments made on the paper by Peter SAUNDERS are concerned firstly with some of the methodological and conceptual difficulties of fiscal incidence studies. These include considerations of coverage, valuation and allocation and some policy implications. The comments also relate to the international comparisons made in the paper.

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

71 CASTLES, Ian (1987), 'Government welfare outlays: Who benefits? Who pays?', **Canberra Bulletin of Public Administration,** paper presented to the RAIPA Autumn Seminar on 'The Welfare State', 51, May, 47-57.

The Australian Bureau of Statistics released in April 1987 the publication **Effects of Government Benefits and Taxes on Household Income** (q.v.) which reported the results of the Bureau's first 'fiscal incidence' study. 'The specific aim of the Bureau's study was to examine how the distribution of income amongst Australian households in 1984, as revealed by the Household Expenditure Survey conducted in that year, was affected by the benefits and taxes of Commonwealth, State and local governments.' The limitations of the study, the information sources, and the methodology involved in preparing the publication are all described. The tables showing income redistribution for various groups of the population are presented and interpreted.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

72 CASTLES, Ian (1987), 'Social statistics and social change', **Journal of the Australian Population Association,** 4(2), November, 93-105.

The paper summarizes the achievements and conclusions of three statistician-economists of the past to show the links between economic and social statistics. The author looks at the requirements for a 'good statistician' and relates these requirements to the release of various data from ABS surveys. 'Researchers no longer have to pray that published data answer their varied and complex research questions. They can now manipulate the data directly and produce very specialized cross-tabulations of a wide number of variables.'

METHODOLOGY.

73 CHAPMAN, Bruce (1984), 'Australian women and wages: a survey of the research' in Mavis HOY (ed.), **Women in the Labour Force, Proceedings of a Conference,** August 1982, Monograph Series No.4, Bureau of Labour Market Research, Canberra, AGPS, 104-135; with comments by Peter SCHERER.

This paper critically examines the Australian literature on women and wages. It includes a 'brief survey of the major theoretical frameworks and the hypotheses they imply', and a review of 'average relative wage changes in the context of variations in award rates and equal pay legislation'. 'It is argued that average wage changes are an inappropriate measure of the true relative pay position, and Section 4 investigates more microanalyses of wage determination. Section 5 offers a brief insight into issues of information related to turnover and absenteeism in an effort to assess the role of ignorance in generating wage disparities. Section 6 summarises the main points and offers guidelines for areas of future research. Australian research reveals that on average males earn higher wages than females. Furthermore, holding constant education and measured experience reduces, but does not eliminate, the male advantage.' The author comments on the difficulties of interpretation of data and on inadequate econometric specification.

Peter SCHERER comments that the paper 'is about the use of economic analytical methods to analyse issues that are essentially sociological', but that this approach misses important questions.

FACTORS AFFECTING DISTRIBUTION: Gender, WAGES, WOMEN.

74 CHAPMAN, Bruce J. and MILLER, Paul (1983), 'Determination of earnings in Australia: an analysis of the 1976 Census', in Keith HANCOCK et al. (eds) **Japanese and Australian Labour Markets: A Comparative Study,** Canberra, Australia-Japan Research Centre, 228-276; including comments by Asao MIZUNO and Glenn WITHERS.

Three separate but related issues are investigated using labour market data from the 1976 Australian Census. 'The first concerns the nature of the wage hierarchy of jobs, in particular the robustness of job rankings if the human capital characteristics of the employees are standardised.' A second and more difficult part of the analysis focuses on the relationship between tribunal wage awards and both industry-specific wage factors and average education levels of employees by industry. A third issue investigated is the relationship between human capital endowments and wages, and the variations in returns to these endowments between men and women.

FACTORS AFFECTING DISTRIBUTION: Education, gender, WAGES, WOMEN.

75 CHAPMAN, Bruce J and MULVEY, Charles (1985) **'An Analysis of Causes of Sex Differences in Australian Wages,** Discussion Paper in Industrial Relations No. 6, University of Western Australia, 22pp.; also **An Analysis of the Origins of Sex Differences in Australian Earnings,** Discussion Paper No. 117, Centre for Economic Policy Research, Canberra, Australian National University, 22pp.; also 'An analysis of the origins of sex differences in Australian wages', **Journal of Industrial Relations,** (1986), 28(4), December, 504-20.

'Different levels of measured skills, geographic location and demographic factors (such as marital status and country of birth) explain almost none of the hourly wage differences of Australian women and men in full-time employment. The major contribution to wage differences is apparently in the different returns paid by employers to men and women for observable characteristics. Usually this is considered as evidence for the existence of direct wage discrimination by employers but - at least for the data of this study - some questions remain as to the extent of this influence. Measurement issues related to both schooling and general labour market experience tend to exaggerate the role of direct employer discrimination, but even extreme assumptions as to the extent of mismeasurement of these variables do not eliminate such discrimination (although it is reduced from 13 to 3.5 per cent). Some part of the overall difference is likely to be a consequence of (unmeasured) occupation factors and, of much greater complexity, the possible influence of role-stereotyping and its interaction with family arrangements.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Education, gender, WAGES, WOMEN.

76 CHARNOCK, David M. (1980), 'Surrogates for income measures using Census data', **Australian and New Zealand Journal of Sociology,** 16(3), November, 103-7.

'The major innovation in the 1976 Census of Population and Housing was the inclusion of a question on income. In the past, therefore, it has been necessary for studies based on Census data to use other socio-economic variables or derived factors as surrogates for income. The availability of income data from the 1976 Census provides an excellent opportunity to investigate the adequacy of these surrogates.' This paper analyses 'the relationships between income measures and various other socio-economic variables and derived factors for the Perth metropolitan area'. The author concludes that the use of a derived factor, identified as 'socio-economic status ' as a surrogate for a general income measure is not adequate, partly for demographic reasons; however it is useful for a proportion of high income families. Suitable surrogates are suggested for low income families. Other results are discussed. 'On a related issue, the inclusion of income information has been shown to be redundant in estimating the socio-economic status of an area when the variables under analysis already include a comprehensive list of occupational and educational variables.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Education, employment.

77 CHETWYND, Jane (1985), 'Incomes foregone in the home care of intellectually handicapped children', **Community Health Studies,** 9(1), 48-53.

'The average gross incomes of parents caring for an intellectually handicapped child were compared with those of parents in the general population as measured by the New Zealand Household Survey. Those caring for a handicapped child had significantly lower total gross weekly incomes and this was particularly reflected in the lower incomes of the mothers.'

FACTORS AFFECTING DISTRIBUTION: Family, gender.

78 CHIA, Tai Tee (1989), **Has the Value of a Degree Fallen? Cross-sectional Versus Time Series Evidence,** Discussion Paper No. 201, Centre for Economic Policy Research, Canberra, Australian National University, 29pp.

'It is a common practice in the analysis of changes in the return to education over time, to examine the changes in the cross-sectional rates of return over the period. We show, in the first part of the paper, how this procedure can easily lead to conclusions which are misleading with respect to both the magnitude and direction of change.

In the empirical part of the paper, Miller's findings of the decline in the cross-sectional rates of return to higher education from 1968/69 to 1978/79 was shown to continue into the 1980s. These cross-sectional rates would, on the surface, suggest that the returns to higher education have been falling over the last 15 to 20 years. Our analysis using time series evidence on the labour market performances of successive cohorts of new graduates, however, shows that, contrary to the conventional wisdom, and what the changes in the cross-sectional rates over time suggest, the value of a tertiary degree does not appear to have fallen in the last ten years.'

FACTORS AFFECTING DISTRIBUTION: Education.

79 CHISHOLM, A.G. and FREEBAIRN, J.W. (1989), **Personal Income Tax Reform Option For 1989-90,** Discussion Paper Series No. D136, Centre of Policy Studies, Monash University, 53pp.

The paper is sub-titled 'Background Information and Details on Data Bases used to Analyse Revenue, Distribution and Efficiency Implications'. The purpose of this paper is to provide a detailed picture of the data and calculations behind the National Priorities Report, **Personal Income Tax Reform Options for 1989-90,** prepared by the authors and reproduced as a four page appendix to the publication. This paper provides historical data on the evolution of the personal income tax system and on after tax disposable incomes over the 1980s; specifies in detail the data bases and the computer program, TAXMOD, used to evaluate the revenue, distributional and efficiency effects of different tax reform options for 1989-90; explicitly specifies the assumptions and procedures used to evaluate the implications of the personal tax system over recent years and the projected implications of illustrative tax reform options for 1989-90; and records detailed tabular information on the projected revenue, distributional and efficiency implication of the illustrative tax reform options.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

80 CHISWICK, Barry R. and MILLER, Paul W. (1985), 'Immigration generation and income in Australia', **Economic Record,** 61(173), June, 540-53.

'Microdata for adult men from the 1981 Australian Census are used to study the determinants of income by immigrant generation. The overseas born, 30 per cent of adult males, have 5 per cent lower incomes than the native born, and **ceteris paribus,** 7 per cent lower incomes. Schooling and pre-immigration labour market experience have smaller effects for the overseas born. Among the Australian born, those with overseas-born parents have 4 per cent higher incomes overall, but, **ceteris paribus,** there is no difference. The means and partial effects of the explanatory variables among the native born are not related to the parents' nativity.'

FACTORS AFFECTING DISTRIBUTION: Education, IMMIGRANTS.

81 CHOO, Christine (1988), 'The marginalisation of the poor. Reflections on the distribution of wealth in Australia', **National Outlook,** 10(5), June, 9-12.

The author looks at a number of published studies on poverty and wealth in Australia and examines the values underlying the provision of welfare.

JUSTICE.

82 CLARK, Colin (1940), **The Conditions of Economic Progress,** London, MacMillan, 504pp.

The book includes a chapter (pp.423-33) on 'The distribution of incomes between individuals'. Comparisons of the size distribution are made for a large number of countries using a measure based on the Pareto equation. The greatest measure of equality of income distribution, using this measure, is that found in Australia and New Zealand. For Soviet Russia no figures are available since 1924-25, but at that date the distribution of income seems to have been definitely less equal than that prevailing in Australia and New Zealand. Great Britain, although becoming more equal since 1909 remains 'one of the most unequal distributions to be found anywhere in the world'. For Denmark different types of income (farming, wage, town and country, proprietors and managers) are analysed. For America comparisons are made by source of income. For some countries there is information on the distribution of savings.

The second edition (1951) includes a chapter (pp.521-41) on 'Distribution of income between factors of production and between persons' which expands on the work in the previous edition. (For a description see entry under QUEENSLAND BUREAU OF INDUSTRY, 1951).

The third edition (1957) (p.650) explains: 'The measurement of the distribution of income between persons was made in the previous edition; by use of the Pareto relationship only.' The author goes on to explain the shortcomings of this method of measurement, and omits the section on distribution of income between persons from the book. 'Some of the older information, based on Pareto coefficients, may prove to be somewhat wide of the mark when more valid measurements are made.'

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME.

83 CLARNETTE, Warren and MOORE, Des (eds) (1988), **Wealth and Poverty,** Policy Issues No. 6, Canberra, Institute of Public Affairs, 57pp.

The publication is based on the Institute of Public Affairs submission to the 1988 Inquiry by the Catholic Bishops' Committee of Justice, Development and Peace into the distribution of wealth. It is divided into sections as follows: wealth creation as a national priority; the nature and extent of poverty; the nature of justice; and ethical criteria. A brief summary of the conclusions suggests that government policies to redistribute income to the poor through taxation and welfare payments have adverse effects on the economy and on the poor themselves. Policy should be directed towards the creation of private wealth and increased employment. Such welfare payments as continue to be made should be directed to those in 'real need' and not to those below the 'poverty line' who have 'a standard well above subsistence'. Family values should be restored, those who have wealth should be reminded of the 'virtue of charity'; those 'in poverty through despondency or indolence' can be reminded of the 'virtues of work and self-reliance'. An inquiry should be instituted into ways of removing 'barriers to full employment'. The publication also includes the following papers:

The church, 'social justice' and 'rights'	John WILLIAMS
The nature of wealth	Michael PORTER
Poverty in Australia	IPA Research Paper
Australia's heavy capital gains and wealth taxes	Terry MCCRANN

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

84 COCHRANE, D. (1946), 'Travelling to work', **Economic Record,** 22, December, 199-218.

The author used information from the Melbourne University Social Survey (1941-3) to estimate the cost of travelling to work. One section of the article is concerned with household travelling costs classified in income groups, and by household size showing percentage of income spent, in the survey area and also in subdivisions of the area surveyed.

GEOGRAPHICAL DIFFERENCES.

85 COGHLAN, T.A. (Statistician of New South Wales) (1902), **The Wealth and Progress of New South Wales 1900-01,** Sydney, Government of the State of New South Wales, 1043pp.

This volume is one of the series prepared by the office of the statistician. One chapter (pp.856-934) relates to private finance, and data is included on distribution of property, incomes, capital etc. 'Excluding 25,645 unemployed, the number of persons following gainful pursuits, or enjoying income from property, is 542,615, and of these 441,350 are adults ... 39,732 adults have incomes above £200 a year, and 410,618 below that sum.' Data are also given about incomes in excess of £200 a year by sources of income.

DEGREES OF INEQUALITY.

86 COLLINS, D.J. (1982), 'Australian personal income tax liabilities 1960-1980', **Economic Papers,** 1(1), April, 65-83.

'This paper has examined changes in income tax liabilities for various family compositions and at various levels of assessable income between the financial years 1960-61 and 1980-81, and has produced estimates of the degree of effective indexation for these family compositions and income levels implied by changes (or lack of change) in the personal income tax system. The results are complementary to incidence estimates of personal income tax burdens in that, while they reflect apparent statutory liabilities rather than actual payments, they permit analysis for any tax year, any level of assessable income and any family composition. They also permit the estimates of the degree of effective indexation.'

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

87 COLLINS, D.J. and MADDEN, G.M. (1987), **Implications for Tax Revenue and the Distribution of the Tax Burden of Personal Income Tax Reforms,** Research Study No. 5, Australian Tax Research Foundation, 21pp.

Public discussion of proposals for reform of the personal income tax system in Australia has been 'hampered by an inability to undertake any quantitative analysis of existing proposals. This paper addresses itself to this problem by undertaking two particular types of quantitative analysis of personal tax reforms - their effects on tax revenue and on the distribution of the personal tax burden.' It presents 'revenue and distributional estimates for the Australian personal tax system for the tax years 1985-86 to 1987-88'. The methodology is explained. Results are presented for changes in the tax rate, changes in the tax threshold, changes in dependant's rebates, State and federal tax surcharges and the effects of flat and linear taxes.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

88 COOMBS, H.C. (1982), 'Technology, income distribution and the quality of life', **Search,** 13(5-6), June/July, 142-7.

'The most important economic effect of technological change is to redistribute the, presumably increased, proceeds of the final product between those who have participated in its production. This article considers the effects of this redistribution on the incomes of different sections of the community and on the way in which those incomes are likely to be used. This consideration questions the optimistic view of the social effects of technological change presented by the Myers Report.' After considering the distribution of company earnings, the author concludes that payments are increasingly to owners; increasingly to corporations and decreasingly to persons; payments to persons are increasingly to those who possess special knowledge, skill or capacity; and payments are increasingly to those outside and often remote from the enterprise itself. 'In brief, this analysis suggests that technological change is a major contributor to the polarisation of industrial society, that its effects are likely to make the rich richer and the poor poorer, both in income and in work experience.' The author concludes by discussing the need to reform the system and the difficulties of implementation of such reforms.

FACTORS AFFECTING DISTRIBUTION: Employment, JUSTICE.

89 CORRA, G., BUTLER, L.J. and CORNELL, L.D. (1982), 'A note on measuring income instability and inequality of Australian sheep farms', **Review of Marketing and Agricultural Economics,** 50 (1), April, 109-17.

This article aims 'to provide information on patterns of farm income distribution and the dynamic process of income movements within a distribution. The technique used considers the Lorenz curve within a Markov process to examine the stochastic movement of farm incomes through time.' 'The incomes used in the analysis are the incomes of the whole farm enterprise and not of the farmers themselves. They are analogous to household income levels and can be directly compared to these figures.' No account is taken of other sources of wealth such as farm and non-farm assets. The results are applicable to the Australian sheep industry in the period 1963-64 to 1977-78. The results indicate that there is 'substantial movement of farm incomes within the total distribution', but 'this movement is not characterized by violent fluctuations'. 'Only a small percentage of farms experience relatively large income changes within the distribution.' 'Higher income earners tend to remain high-income earners and low-income earners tend to remain low-income earners relative to the total distribution from one period to the next.' 'Income inequality on sheep farms is higher than that of income earning households.'

DEGREES OF INEQUALITY, RURAL.

90 COSTIGAN, Michael (1988), 'Getting to the heart of the matter: the Church's wealth inquiry', **National Outlook,** 10(5), June, 13-14.

The article describes an inquiry set up by the Catholic Church's Bishop's Committee for Justice, Development and Peace, to examine the distribution of wealth in Australia. The author also describes the initial reactions to the inquiry, from critics and supporters.

JUSTICE.

91 COVICK, Owen(1986) 'Aggregate trends in self-employment incomes', in W.J. MERRILEES (ed.), **Professional Incomes,** Monograph Series No. 13, Bureau of Labour Market Research, Canberra, AGPS, 39-64.

'This chapter examines the picture of broad trends in self-employed incomes in Australia during the period since the late 1960s' using data from the national accounts and from ABS income distribution surveys. Attention is paid to questions of data interpretation. Results show a fall in average real incomes from non-farm self-employment since the mid 1970s, not confined to any particular industry. They also show that there is 'a greater degree of inequality among the incomes of self-employed Australians than there is among the incomes of wage and salary earners'.

METHODOLOGY, DEGREES OF INEQUALITY, SELF-EMPLOYED.

92 COWELL, F.A. (1985), '"A fair suck of the sauce bottle" or What do you mean by inequality?', **Economic Record,** 61(173), 567-79.

'The literature on the economics of inequality conventionally uses the utilitarian social welfare function as a tool for comparing income distributions. This approach usually suppresses the distinction between two types of "inequality aversion". The formal analysis of these two types is examined and the results of an informal survey are reported.'

JUSTICE.

93 COWPER, Norman (1936) 'The Census and social conditions', in G.V. PORTUS (ed.), **What the Census Reveals,** Adelaide, Preece & Sons in conjunction with The Australian Institute of Political Science, 120-53.

This paper, based on data from the 1933 Census, is concerned with three questions - What kind of people inhabit Australia? Where do they live? and In what conditions do they live? Included in the section dealing with the last question is an analysis of the income data gathered in the Census, and a comparison with data on income distribution in Britain in the same period. 'This, then, is the picture (a picture which, we should remember, is unusually gloomy because it is taken in the trough of the depression): about 450 people at the top averaging £8,700 a year each; four-fifths of the total **taxpayers** getting less than £400 a year; three-quarters of the total number of employed male **bread-winners** getting less than £4 a week; 567,000 male bread-winners getting less than £1 a week; and an enormous residue, comprising nearly 400,000 bread-winners and at least another half-million dependents, with no income, and nothing to do.' The author also discusses redistribution and the role of taxation and social services. While the standard of living is high, and the author gives details of this in terms of activities and expenditure, the plight of the unemployed is bad compared with European countries because of the 'absence of any nation-wide system of unemployment and health insurance'.

DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

94 COX, J.P. (1976), 'The national survey of income, income distribution and temporary poverty', **Economic Record,** 52(140), December, 423-42.

Information about the distribution of income in Australia has grown during recent years especially through the major survey undertaken in connection with the Commission of Inquiry into Poverty. At the same time evidence from overseas studies, particularly a longitudinal study carried out in America is suggesting that poverty, far from being a lifetime phenomenon, is often temporary and is associated with the life cycle of family income. The findings of that study are briefly presented and the author, testing the applicability of those findings to the Australian situation, examines the cross-sectional data available from the National Survey of Income. Some predictions are made, based on the temporary poverty hypothesis, namely that poverty will be associated with age and with family composition, especially the number of adults in the family. It is argued that the apparent composition of the poor will depend on where the poverty line is drawn and the distribution of expenditure will be more nearly equal than the distribution of measured income. Cox concludes that the data examined are consistent with the view that much poverty is temporary but points to the need for longitudinal data. He then looks at evidence available from the Family Centre Project operated by the Brotherhood of St Laurence which indicates that temporary factors which prevent full participation in the labour force 'seem greatly to affect the current income of those who are recognized as having the lowest incomes and plunge them into poverty'. The paper examines ways in which government policy might react to the conclusions drawn here.

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Age, employment, family.

95 COX, J.P. (1983), 'Equivalent income distributions', in John DIXON and D.L. JAYASURIYA (eds), **Social Policy in the 1980s,** Canberra College of Advanced Education in association with the Australian Social Policy and Administration Association, 129-45; also in **Social Security Journal,** December 1982, 22-33.

'To the extent that income is an accurate measure of financial resources, it seems reasonable to suggest that those with low equivalent incomes are likely to have the greatest difficulty in making ends meet; those with greater equivalent incomes are likely to have fewer difficulties.' This paper discusses the concept of 'equivalent income', the problems of estimating and using both equivalence scales and the equivalent income distributions calculated from them. Separate sections deal with changes through time in the distribution of income, indicators of relative need, equivalence scales as a guide to policy and low-income persons in employment.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME.

96 COX, Jim and FOSTER, Chris (1986), 'Tax changes and social welfare', in John G. HEAD (ed.), **Changing the Tax Mix,** papers presented at a conference organised by the Centre of Policy Studies, Monash University, Sydney, Australian Tax Research Foundation, 133-54; also published as Discussion Paper Series No. D90, Centre of Policy Studies, Monash University.

The paper discusses the implications for low income households of changing the tax structure by expanding the sales tax base and the changes in the welfare system which would adequately compensate for the increase in the cost of living which would result from such changes.

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

97 CUTRIGHT, Phillips (1967), 'Income redistribution: a cross-national comparison', **Social Forces,** 46(2), 180-90.

'The per cent of Gross National Product allocated to Social Security programs was taken as measure of the national effort to redistribute income through government programs. A case study of the impact of government program expenditures in the United States showed a powerful effect on changing the shape of the income stratification system in a more equitable direction. Analysis of 40 nations found that measures of the equalitarian pressure in the political system, the experience and power of the Social Security bureaucracy, and the condition and characteristics of the national population explained 86 per cent of the variance in the percent of GNP allocated to Social Security expenditures. Analysis of high and low GNP nations separately supplied additional evidence supporting the claim that each predictor variable has an independent effect in setting the level of national effort to redistribute and thereby equalize the distribution of income.' Australia is one of the nations included in the comparison, as one of those with a high GNP

INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers, JUSTICE.

98 DAS, Tarun and PARIKH, Ashok (1981), 'Decompositions of Atkinson's measure of inequality', **Australian Economic Papers,** 20 (36), June, 171-8.

The paper defines Atkinson's measure of inequality and decomposes the measure for total population into within-group and between-groups inequalities. It shows that 'inequality in total income is a weighted average of inequality measures for different components of income (weights being the shares of components in total income) minus a non-negative term indicating the extent by which inequality in total income is reduced'.

METHODOLOGY.

99 DAVIDSON, Gay (1988), 'Don't expect the tax cuts to be fair', **Australian Society,** 7(8), August, 13, 52.

The article looks at cuts in the corporate tax rate, and argues that they are 'regressive, benefiting, only a small number of the most highly paid wage and salary earners'. The author also examines the effects of the 'tax reform' package of 1985.

FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

100 DAVIDSON, Gay (1988), 'Why we should all be interested in a wealth tax', **Australian Society,** 7(11), November, 36-7.

The paper reports data from an **OECD Observer** 'feature on taxing the wealth and capital gains of households'. 'It shows that in 1965 Australia ranked second among the 23 OECD countries in the proportion of its total tax collected from wealth and capital transfer taxes'; in 1976 the amount collected had dropped, but by 1985 the amount was tiny and 'Australia ranked last on the list of 23, with half of the OECD countries having a wealth tax, almost all having an inheritance, accession or estate-type tax, and half having a separate capital gains tax.' Figures are presented from Australian taxation office statistics showing the growth over those years in the percentage of tax revenue paid by wage and salary earners, since the abolition of estate and gift taxes. The author concludes that the wealthy simply paid an ever decreasing share of total taxation'.

INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

101 DAVIDSON, Ken (1982) 'Redistributing to the rich', in Marian SAWER (ed.), **Australia and the New Right**, Sydney, George Allen and Unwin, 61-72.

Keynesian policies and 'monetarism' are discussed in the current Australian economic situation. The author argues that the 'issue is the distribution of income, which is the conflict lying behind inflation. Inflation is essentially a monetary measure of incompatible income claims by different groups in the community.' Distributional issues remain important in an affluent society, as 'relative income determines access to positional goods'. 'And yet supply-side economics emphasises the favourable impact on growth of widening income differentials in order to promote savings and investment. To the extent that this rationale for wider income inequalities is implemented, it will take longer to make traditional Keynesian demand management policies effective.'

FACTORS AFFECTING DISTRIBUTION: Economic conditions, JUSTICE.

102 DAVISON, Graeme and LACK, John (1981), 'Planning the new social order: the Melbourne University Social Survey, 1941-43', **Australian and New Zealand Journal of Sociology**, 17(1), March, 36-45.

The 1941-3 Social Survey of Melbourne (PREST, 1952, q.v.) gathered information from a systematic sample of households on housing, employment and income. This paper examines the Survey's British and Australian origins, and its design, conduct and reception. The range of material is outlined and some consideration is given to fruitful analyses of this unique body of non-aggregated data. The survey is also described in Graeme DAVISON (1979), 'The Melbourne University Social Survey, 1941-43', **Australia 1938-1988: Bicentennial History Project,** Bulletin no. 3, 6-8.

METHODOLOGY.

103 DEMPSEY, Ken (1987), 'Economic inequality between men and women in an Australian rural community', **Australian and New Zealand Journal of Sociology,** 23(3), November, 358-74.

'In this article the income inequality prevailing between men and women in an Australian rural community is examined. It is argued that in order to appreciate the magnitude of the financial disadvantage experienced by women, it is necessary to abandon the usual approach of restricting income comparisons to male and female members of the paid workforce in favour of one including all adult men and women irrespective of their workforce status. This approach directs attention beyond the immediate "causes" of income inequality in the market situation - such as length of job experience - to the societal causes of this and other manifestations of gender discrimination. This includes women's socialisation to place caring for others before career, and economic and social sanctions to ensure that they do. Such factors partially explain why the income reported by the majority of females is below, or only marginally above, the poverty line and why women with tertiary qualifications earn much less than similarly qualified men. In a community where farming is the modal occupation it is shown that women experience the double inequity of being denied the resources to practice this occupation whilst being expected to contribute unwaged labour to the success of it male practitioners.'

FACTORS AFFECTING DISTRIBUTION: Gender, RURAL, WOMEN.

104 'Directors fees in 1986', (1986), **Australian Director,** 16(5), October/November, 10-15.

'What is the value placed on the expertise and efforts of Company Directors in 1986? The answer is that a Director is worth what his company says he is, the evaluation of worth by one company varying widely from that of another of about the same size.' The article reports on a survey conducted by the Institute of Directors and PA Consulting Services in 1986. Results are presented in a series of graphs and tables showing fees for non-executive chairmen and non-executive directors of companies by total assets and by total turnover of the companies. The highest fees recorded were $50,000 per annum for a chairman; directors fees varied from $30,000 to 'an abysmal $2,450'.

[Results of an earlier survey, carried out in 1983, appear in The **Australian Director**, (1984), 14(10), February/March 26-30. Another appears in the same journal (1980), 10(5), October, 29-38. Comments on this report are made by Sir John DUNLOP, in the same journal, (1981), 11(2), April, 13-14].

CHANGES OVER TIME, PROFESSIONAL GROUPS.

105 DIVISION OF NATIONAL MAPPING and AUSTRALIAN BUREAU OF STATISTICS (1984), **Atlas of Population and Housing, 1981 Census,** 7 Volumes, in association with the Institute of Australian Geographers, Canberra, various page numbers.

These volumes have been prepared for each of the seven 'major urban areas' of Australia giving information gathered in the 1981 census on a variety of topics. Maps in each volume show the concentration of persons with annual income over $15000 and of households with annual income under $6000. Similar publications have appeared or are in preparation based on information gathered in the 1976 and 1986 Censuses. In addition a number of atlases, prepared by individual editors, have mapped data from the 1971 Census. [See the bibliographies attached to the volumes of the atlas described here].

GEOGRAPHICAL DIFFERENCES.

106 DOWNING, R.I. et al. (1964), **Taxation in Australia. Agenda for Reform,** Melbourne University Press, 196pp. Other authors: H.W. ARNDT, A.H. BOXER and R.L. MATHEWS (A group appointed by the Social Science Research Council of Australia).

'This report submits for consideration a number of proposals designed primarily to improve the equity of the Australian tax system with special reference to direct taxes on income and wealth.' The chapters describe and discuss government revenue and expenditure, the Australian income tax system, tax progression, criteria for tax reform, the tax base, the effects of progression, the promotion of saving and growth, the finance of public works expenditure, company income, net worth, capital gains, avoidance and evasion, the taxation of farmers and general and concessional deductions for persons. Proposals for change are made in each area.

FACTORS AFFECTING REDISTRIBUTION: Taxation.

107 DUFTY, N.F. (1971), 'Earnings drift in Australian secondary industry', **Economic Record,** 47(119), 410-17.

'The problem of earnings drift - the growth of earnings relative to the growth of minimum wage rates - is of particular interest in Australia where there are constitutional and political obstacles to the formulation and implementation of a wage policy.' This article considers three variables - changes in employment, changes in the capacity to pay, and changes in labour market pressures, as they apply in the metal industry, in an attempt 'to discover the economic influence affecting the relative rates of earnings drift'. The results indicate that both earnings growth and earnings drift were primarily related to capacity to pay.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, employment, WAGES.

108 DWYER, Carmel (1987), 'How the middle class has been squeezed out', **Personal Investment,** July, 37-40.

The article reports the results of studies conducted by 'Australia's top three socio-economic forecasters': Phil RUTHVEN of IBIS-DHS, Graeme POCKNEE of the Australian Administrative Staff College in Melbourne, and Jacqueline HUIE of The Banks Group. Pocknee examined disposable income, comparing 1986 with 1978. Ruthven compared raw household income figures. Huie followed sales trends and consumer spending patterns. All three point to 'an hour-glass' effect with an increase in both lower and upper income groups. Some reasons for the changes are canvassed, and some forecasts made.

DEGREES OF INEQUALITY, CHANGES OVER TIME.

109 EASTON, B.H. (1978), 'A relationship between earnings inequality and wealth inequality', **Economic Record,** 54, 237-8.

The paper examines a claim that 'the present apparent distribution of wealth could be explained by a life cycle savings hypothesis' and concludes that although further mathematical analysis is needed, it seems safe to conclude that it is unlikely that the majority of the inequality of the wealth distribution can be explained by the pattern of savings from an earnings distribution.

FACTORS AFFECTING DISTRIBUTION: Asset income, age, WEALTH.

110 EDWARDS, Meredith (1980), 'Economics of home activities', **Australian Journal of Social Issues,** 15(1), February, 5-16.

'This paper explores the contribution of unpaid home activities to the economic welfare of the family. It begins with a review of the conventional economic framework on how household decisions are made. It deals with the modifications which take into account unpaid work in the home. The concept of "imputed income" from home activities (like housework and child care) is then introduced before several possible methods of measuring that income are assessed. The final section of the paper analyses some policy implications which follow from recognizing imputed income as part of family income.'

FACTORS AFFECTING DISTRIBUTION: Within family allocation, WOMEN.

111 EDWARDS, Meredith (1980), 'Social effects of taxation', in John WILKES (ed.), **The Politics of Taxation,** Proceedings of the 46th Summer School of the Australian Institute of Political Science, Sydney, Hodder and Stoughton, 142-61.

This paper concentrates on issues of horizontal equity and not on income taxation as an income redistributive mechanism. It deals with social change, identifying in particular the increase in the proportion of married women in paid employment, the diversity which has come about in types of household, and the increase in the numbers of unemployed people. The author argues that as a result of these social changes there may be need for tax reform as it affects women and sole parents.

FACTORS AFFECTING DISTRIBUTION: Employment, FACTORS AFFECTING REDISTRIBUTION: Taxation, WOMEN.

112 EDWARDS, Meredith (1981), 'Financial arrangements within families', **Social Security,** December, 1-16; a shorter version appears as 'Financial arrangements within families; empirical results and tax implications', **Australian Child and Family Welfare,** 6(3), Spring, 16-19.

The article details some of the findings of a survey of the distribution of incomes, within a sample of families, conducted in 1980 for the National Women's Advisory Council. The study examined the economic behaviour of one type of family, that of husband and wife and their dependent children under the age of sixteen, who did not share their dwelling with other adults. The objective of the study was to obtain information on the ways in which married couples arrange their financial affairs. Specific objectives were to investigate whether flows of income within the family altered with changing circumstances, to examine the extent of relative deprivation in one income families, to assess the place of communication within the family on specific expenses, to discover the ways in which earnings are regarded, to determine the importance of an independent source of income for women, to investigate the role of family allowances and to determine the effect of debt and credit facilities in family finances. The methodology of the survey is described, and results are presented for each objective. 'Probably one of the more important hypotheses arising from the study was that the source of income going into the family and which member of the family receives that income are important factors in determining expenditure patterns within the family.' This has particular relevance to government policy as it relates to family allowances. The author suggests further studies which might test the hypothesis.

FACTORS AFFECTING DISTRIBUTION: Within household allocation.

113 EDWARDS, Meredith (1982), 'Families and taxation: some current issues', **Tax Matters Newsletter**, 4, January, 1-4.

'This paper presents facts pertinent to current discussions about the appropriate tax burden for different income groups. It suggests reasons why a U-turn is required in tax/transfer policies as they affect families.' The paper discusses labour force data relevant to the reasons why a U-turn in policies is required. It places Australia's tax treatment of different income groups in a time and in an international perspective. Finally the paper suggests a future direction in tax rebate and cash benefit policy.

INTERNATIONAL COMPARISONS, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

114 EDWARDS, Meredith (1982), 'Financial arrangements made by husbands and wives: findings of a survey', **Australian and New Zealand Journal of Sociology**, 18(3), November, 320-38.

'The paper reports on some exploratory Australian research into financial arrangements made by husbands and wives. The paper first surveys briefly the conclusions of sociological literature on the relationship between marital power on the one hand and family income and the employment status of the wife on the other. The methodology used by the author in her own survey is explained, in particular the reasons why husbands and wives were interviewed simultaneously but separately. Management and control aspects of financial arrangements are explained and elaborated on because of their central importance to the topic. One of the more significant findings was the prevalence of arrangements in which wives managed family finances as against the small number of wives who could be said to have had overall control of finances.' Another conclusion related to the importance of both the income level of the husband and whether or not the wife had paid employment as factors affecting financial arrangements of couples. The paper concludes with some implications for tax and social security policies.

FACTORS AFFECTING DISTRIBUTION: Within household allocation, WOMEN.

115 EDWARDS, Meredith Ann (1983), **The Income Unit in the Australian Tax and Social Security Systems**, Melbourne, Institute of Family Studies, 222pp.

'This study describes and evaluates the different ways in which the individual, the married couple and the family are treated under Australia's personal income tax and social security systems. It also makes suggestions on possible directions for change in the treatment of the income unit in tax and social security policies.' 'The criteria of efficiency, equity and simplicity are used to evaluate the appropriate income unit.' Various social changes are taken into account in the evaluation. The study challenges two conventional assumptions: that the ability to pay tax of a married taxpayer is reduced if the taxpayer has a spouse financially dependent on him or her; and that husbands and wives pool their income and share equally in the benefits of that income. The latter assumption is examined in the light of data gathered in a survey carried out by the author.

The study concludes that the individual as the unit in taxation is superior to the marital unit, but the case is not so clear cut for adopting the individual as the income unit for social security payments. 'The study attempts a systematic and comprehensive examination of the economic issues relevant to the choice of an income unit for the tax and social security systems but ultimately society's value judgements must determine the most appropriate unit.'

FACTORS AFFECTING DISTRIBUTION: Within household allocation, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

116 EDWARDS, Meredith (1984), 'The distribution of income within households', in Dorothy H. BROOM (ed.), **Unfinished Business: Social Justice for Women in Australia,** Sydney, George Allen and Unwin, 120-36.

'This chapter has three objectives. The first is to review the rather scant literature on financial arrangements within households. The second is to compare these studies with the findings of an exploratory Australian survey. The third is to suggest possible changes in social policy based on the criterion of "individual equity".' It is argued that labour-force status and income levels appeared to influence the system of financial arrangement within individual families but probably 'the most important finding was the great diversity in financial arrangements'.

FACTORS AFFECTING DISTRIBUTION: Within household allocation.

117 EDWARDS, Meredith (1990), 'The Federal Government's child poverty program', in **Income Distribution Seminar,** Papers and Proceedings of a seminar arranged by the Economic and Social Policy Group, 1989, 52-70.

The paper outlines the Government's record in achieving its main social justice priority of eliminating child poverty. The paper explains the background for adopting the benchmarks of adequacy for children, highlights the areas of continuing research and evaluation and makes some suggestions on future directions, taking into account inevitable budget and demographic constraints. These achievements are described in terms of family income support, income support for young people, and non-income support through employment schemes, housing, child care and health care.

FACTORS AFFECTING DISTRIBUTION: Welfare transfers.

118 EMBURY, B.L. and PODDER, N. (1972), 'Economic welfare in Australia', in Paul P. WILSON (ed.), **Australian Social Issues of the 70's,** Sydney, BUTTERWORTH and Co., 175-86.

This chapter examines inequalities in the size distribution of income in Australia using data from the **Australian Survey of Consumer Finances 1966-68,** makes some international comparisons and concludes that while the inequality in the size distribution of family income in Australia compares favourably with that of other countries, 'the present income tax system is doing little, if any, to redistribute family income as between rich and poor'. In addition, 'although education and occupation of the head of the household lead to differences in the size distribution of family incomes, the greatest inequalities seem to occur in the older age groups'.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, FACTORS AFFECTING REDISTRIBUTION: Taxation.

119 ENCEL, S. (1970), **Equality and Authority: A Study of Class, Status and Power in Australia,** Melbourne, F.W. Cheshire, 492pp.

This book grew out of an interest in the growth of stratification in post-war Australia and presents evidence of this growth. One section of this evidence relates specifically to income and income inequality (109-15). Data are presented from a number of sources, relating to the distribution of incomes in 1964-5, a comparison of factor income and disposable income in 1953-54, incomes of Australian businessmen in 1966, and professional incomes in Victoria in 1964, all of which show degrees of inequality. Other studies quoted show that the distribution of income has become more unequal since the middle of the 1950s, and that there is evidence of real poverty in Australia, 'which is rarely taken into account even by those people who favour a more even distribution of income. The neglect of poverty in this connection may be due to the fact that the myth of egalitarianism makes Australians relatively indifferent to the problem of inequality'. Those in poverty are those who are not in a position to make claims for payment before an industrial tribunal, especially widows, old age pensioners, Aborigines, and chronically unemployable persons. 'The institutional apparatus of equalising income distribution neglects those whose problems do not fit into the institutional pattern.' Reference is also made to a study relating income level to class identification with results similar to those found in British and American studies.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Class, JUSTICE.

120 ENGLISH, Brian A. and KING, Raymond J. (1983), **Families in Australia,** Kensington, Family Research Unit, University of New South Wales, 377pp.

This book is 'based on data from the National Family Survey and the General Social Survey conducted for the Family Research Unit by the Australian Bureau of Statistics in 1975'. Chapter 6 is concerned with income distribution, inequality and welfare. 'The section of the survey devoted to income had the highest level of non response.' Of the men in the survey in receipt of gross weekly incomes 24.6 per cent, and of the women 19.0 per cent 'declined to give any information about their income or declined to answer sufficient questions to allow for an accurate calculation of their gross weekly income'. The chapter gives information for those respondents for whom income data are available. Income distribution is graphed and/or tabulated by gender, age, educational level occupation, marital status, country of birth and family types. Information is also presented about welfare provision. The study shows that the incomes of women, despite equal pay legislation is lower than the incomes of men, even when education and occupations are matched.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, family, gender, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers, WOMEN.

121 EVANS, H. David (1971), 'Income distribution, welfare and the Australian tariff', **Australian Economic Papers,** 10(17), December, 89-113.

The article gives a 'brief history of the income distribution argument for the Australian tariff'. It then develops a model, 'incorporating both static and dynamic effects of tariffs which can be used empirically to estimate the effects of the existing Australian tariff structure on factor prices, and by implication income distribution'. 'Without compensating policies, the model predicts that free trade would increase income inequalities and increase the foreign domination of the economy.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Economic conditions.

122 FAHEY, Charles (1984), 'The wealth of farmers: a Victorian regional study, 1879-1901', **Historical Studies,** 21(82), April, 29-51.

Land settlement by 'selectors' in Victoria has generally been associated with poverty. This paper is a 'quantitative assessment of the material position of selectors' and their changing fortunes over a period of time, in three Victorian counties. Sources of data are Lands Department selectors' files and probate records. It is shown that in the early years of selection many selectors were in dire financial straits and few were substantial property holders. However 'by the late 1880s selectors had been able to consolidate their material position'. 'In the years 1889-91, almost one third of those described in the death certificates of the region as "farmers" left a net estate of £1,000 or more; for miners and labourers the proportion was less than one per cent. Farmers were also more frequently assessed for probate at this level than individuals engaged in the skilled trades, commerce, the professions and other white-collar occupations.'

WEALTH, RURAL.

123 FIEDLER, Mervyn R.G. (1983), **A Wealth Tax: A Study of its Economic Aspects with Special Reference to Australia,** Sydney, Australian Tax Research Foundation, 97pp.

The purpose of this paper is to examine certain economic aspects of the form of taxation known as a wealth tax or net worth tax. By way of background, the desirable qualities of a "good" tax system first are examined, with specific reference to the main tax bases in operation today, including taxes or capital. Next, the principles of a wealth tax are considered. An assessment is made of the various economic and social arguments for and against a wealth tax, after which some current and recent attitudes towards the adoption of a wealth tax in Australia are examined, and - based on some rather broad assumptions - an estimate is derived of the likely yield of one form of wealth tax, if adopted in Australia. An appendix provides a summary of the known statistics on the distribution of personal wealth in Australia. The author 'is of the opinion that, even though it (a wealth tax) would conceivably add to the equity of the tax system and offer other economic advantages, these benefits do not outweigh the disadvantages'.

FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

124 FLASCHEL, Peter (1984), 'The standard commodity and the theory of income distribution - a critical note', **Australian Economic Papers,** 23(42), June, 123-9.

The article is concerned with the theory of income distribution as it relates to prices. The work of other economists in devising models of income distribution is subjected to the method of critique devised by the author.

METHODOLOGY.

125 FREELAND, John (1990), 'Inequality, the labour market and social security', in **Income Distribution Seminar,** Papers and Proceedings of a seminar arranged by the Economic and Social Policy Group, 1989, 71-92.

The paper examines some assertions made about increased inequality under the Labor Government. It analyses the 'changing relationship between patterns of access to and participation in employment on the one hand and economic dependency on the other', by developing a range of new statistical aggregations. There are three ways in which those who are employed can financially support those not employed: by private intra-family transfers, by social transfers through the income security and tax system, and by a combination of private (including individual life-cycle transfers in the form of superannuation, savings etc.) and social transfers. When the Australian population is broken down into its constituent parts - those employed, those dependent on private transfers and those dependent on social transfers, a pattern of financial security can be discerned and is shown in figure form for a number of years between 1971 and 1988. The pattern demonstrates 'a long term increase in the incidence of poverty and, almost certainly, a concomitant increase in income inequality'. However these changes have been 'parallelled by the development of a more comprehensive and generous social security system'. At the same time there has also been a strong employment growth and a commitment to provide employment and training program support for the disadvantaged jobless.

FACTORS AFFECTING DISTRIBUTION: Employment, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

126 GALLAGHER, Phil (1987), 'Improving economic measures of well-being', in David TAIT (ed.), **Family Wellbeing,** Proceedings of a Workshop, Melbourne, Australian Institute of Family Studies, 79-94.

'This paper addresses requirements for data of family economic well being mainly from an eclectic policy perspective although data required for testing several theoretical positions is also discussed. The paper begins by listing the data required, then looks at their policy uses. A section is devoted to fundamental and general analyses which require release of detailed data. The paper then examines whether all required data are being collected, whether the sample size is adequate, and whether the data are released in the most cost effective form for analysis for family economic well-being and associated policy development. This discussion covers Commonwealth

Government administrative sources as well as the data of the Australian Bureau of Statistics. The main conclusions are that: data on assets, savings and indebtedness are not collected sufficiently, data on insurance and assurance are fragmented, the good data collections on incomes, expenditures and family composition have reduced policy effectiveness because of inadequate data release.'

METHODOLOGY.

127 GILL, Flora (1987), 'Inequality and the arbitration of wages in Australia: an historical perspective', **Australian Quarterly,** 59(2), Winter, 210-21.

'The extensive debate about the egalitarian aspects of the Australian wage-fixing system is far from settled. The conventional wisdom - that the emphasis has been on maintaining the status quo - has not been subjected to detailed historical analysis. This paper focuses on the period 1907 to 1967, the era of the so-called "two-tiered" wage system, which gave rise to the egalitarian system.' The system made a distinction between the 'basic wage', paid to an adult male performing unskilled labour, and 'margins' which are added as remuneration for skilled labour. 'The paper argues that examination of award-wage determinations during the period 1907-1967 reveals a pattern more akin to that which would be produced by an insurance scheme, than by a system dominated by a strong egalitarian current. Nor does the historical record support the proposition that a concern to maintain constant skill relativities played a dominant role in the functioning of the wage fixing system. Whether the results reflect a lack of interest within the tribunal itself or the effects of overriding forces external to the tribunal remains an open question.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, WAGES.

128 GRAVELL, K. (1974), **Professional Incomes, June 1973 (Victoria),** A Preliminary Report, University of Melbourne Appointments Board, 20pp.

The paper presents results from a survey of professional men and women carried out in 1973. Data on the income of those surveyed are presented by profession, by gender, age and employment status (self-employed, employee). Movements in income over the period 1956-73 are also given.

CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, gender, employment, PROFESSIONAL GROUPS, SELF-EMPLOYED.

129 GRAYCAR, Adam and JAMROZIK, Adam (1989) **How Australians Live: Social Policy in Theory and Practice,** Australia, Macmillan, 314pp.

The second chapter of the book, dealing with characteristics of the Australian population, contains a section on inequality (38-42). A table presents data on the distribution of income of married couples with dependent children in 1973-74, 1981-82 and 1985-86. Another table presents data from the 1984 Household Expenditure Survey showing average income, benefits and taxes by gross household income deciles. 'It can be easily ascertained from the data that households in the lowest three deciles derive a major share of their income from social security pensions and benefits. Indirect benefits, however, favour the higher income households, thus negating to a significant extent the redistributional effect of direct income transfers. In money terms alone the system is still redistributive, but its effects are not necessarily as redistributive as they appear to be.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

130 GREGORY, R.G. and DUNCAN, R.C. (1981), 'Segmented labor market theories and the Australian experience of equal pay for women', **Journal of Post Keynesian Economics,** 3(3), Spring, 403-28.

The article discusses segmented labour market theories and suggests that these theories describe the outstanding characteristics of the Australian labour force 'with regard to its male and female components'. It is shown that 'the equal pay decisions increased the average earnings of full-time female employees by 30 per cent relative to the average earnings of full-time male employees'. It is also shown that 'the female work force increased relative to the male work force during most years before and after the equal pay decisions'. The share of the wage bill paid directly to the female work force increased from 18 to 28 per cent between 1964 to 1976. The authors estimate 'that 3 percentage points of the 10 per cent increase were due to increased female participation, 5 percentage points were due to the change in relative wages, and the remainder was the result of the interaction between these two factors'. The relative income gain from the equal pay decision is therefore an important factor in the changes in income distribution in favour of females. However, job segregation remains in the Australian labour market and appears to insensitive to the changes in relative wages.

FACTORS AFFECTING DISTRIBUTION: Employment, gender, WAGES.

131 GROENEWEGEN, Peter (1972), 'Consumer capitalism' in John PLAYFORD and Douglas KIRSNER (eds), **Australian Capitalism: Towards a Socialist Critique,** Penguin, 84-107.

This paper surveys 'the changes which consumer capitalism has wrought in Australia', with an examination of the rises in living standards and the changes in consumption patterns. Separate sections look at health, education, housing, employment, social security, consumer durables, specific consumption expenditure, distribution of income (using data for 1966-7 from taxation statistics), and distribution of wealth (hindered by a lack of statistics). The author concludes that 'consumers are far from equal in contemporary Australian society', and the benefits of consumer capitalism are not evenly distributed among the members of the community.

DEGREES OF INEQUALITY, JUSTICE.

132 GROENEWEGEN, Peter (1975), 'Accumulation and tax policy', **Arena,** 39, 47-54.

This paper reviews some studies on Australian taxation in the light of Marx's concept of "primitive accumulation" as analysed in **Capital,** Vol. 1 Part VIII. The author argues that the work of Bentley, Collins and Drane (analysing the Macquarie study) discloses 'not the steeply progressive tax system which most people believe is the reality..., but rather, a largely proportional tax system which only becomes progressive at the upper end of the income scale for very high levels of income' and a high proportion of tax paid by those with low levels of income. At the same time the tax reform measures put forward in the last few years would at best 'maintain the distributional **status quo**' and, at worst, 'they imply a drastic shift from taxing the relatively wealthy to increased taxation of the lower income groups in employment.' It is argued that the aim of these proposals primarily is to increase economic growth by encouraging saving and investment.

FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

133 GROENEWEGEN, P.D. (1979), 'The demand for labour, the state, the level of employment and the distribution of income', **Economic Papers,** 61, October, 1-19.

The author relates the demand for labour and the level of employment and unemployment, to the distribution of income as it is influenced by employment policies. 'The policy of public sector employment creation as a policy to reduce unemployment implies distribution of income from the employed to the unemployed via rising taxation.'

FACTORS AFFECTING DISTRIBUTION: Economic conditions, employment, FACTORS AFFECTING REDISTRIBUTION: Taxation.

134 GROENEWEGEN, P.D. (1983), 'Australian taxation policy', in F.H. GRUEN (ed.) **Surveys of Australian Economics,** Volume III, The Academy of the Social Sciences in Australia, Sydney, George Allen and Unwin 194-249.

The chapter deals with taxation policy in general and includes one section (pp.199-202) on the distributional consequences of taxation. It describes the findings of a number of incidence studies and draws attention to their weaknesses. A paragraph comments upon the lack of data on the distribution of wealth and the effects of taxation on that distribution.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

135 GROENEWEGEN, Peter (1985), **The 1985-86 Budget and the 19 September 1985 Tax Reform Measures, Their Growth and Fairness Aspects,** Discussion Paper No. 4 1985-86, Legislative Research Service, Canberra, Department of the Parliamentary Library, 98pp.

This paper describes and investigates the tax measures announced in the 1985-86 Budget and in the further statement made by the Treasurer in September 1985. The measures are examined particularly for their 'fairness'. The paper emphasises the importance of the Accord for the achievement of growth objectives and praises it for the degree of flexibility it gives in the area of wages policy. It also draws attention to the 'dangers in confusing horizontal and vertical equity objectives in the context of Family Allowances, the concessional rebates and matters associated with consumption tax reform'. There is a need 'to ensure good legislation and, more particularly, fair administration of the new tax measure if their equity and efficiency gains are to be secured'. The author argues that 'serious and comprehensive consumption tax reform should remain on the tax reform agenda in order to secure more lasting tax reform measures'.

FACTORS AFFECTING REDISTRIBUTION; Taxation, JUSTICE.

136 GRUEN, F.H. (1979), 'Australian economics 1968-78: a survey of the surveys', in F.H. GRUEN (ed.), **Surveys of Australian Economics,** Volume II, Sydney, George Allen and Unwin, 226-66.

The fifth section of this chapter is concerned with some economic issues of inequality, including a discussion of the extent of inequality. It includes some comments on the difficulty of determining the causes for wealth and income inequality.

DEGREES OF INEQUALITY, CHANGES OVER TIME.

137 GRUEN, F.H. (1983), 'Australian inflation and the distribution of income and wealth - a preliminary view', in A.R. PAGAN and P.K, TRIVEDI (eds), **The Effects of Inflation, Theoretical Issues and Australian Evidence,** Centre for Economic Policy Research, Canberra, Australian National University, 224-60.

The paper deals first 'with the necessary adjustments to the concept of income in an inflationary world', then 'discusses the interaction of inflation and of the existing tax system on both individuals and enterprises'. The paper also describes the changes in Australia's income distribution between 1968-69 and 1978-79, drawing attention to social and economic factors other than inflation which could have affected the distribution of income, as well as to the effects of inflation during the period. It is shown that the changes which did occur in the distribution of income are towards greater equality. The three factors which are probably responsible for this trend towards greater equality - namely the more generous social security benefits, the movement toward equal pay for women and the payment of family allowances to women - have not been the result of inflation'. 'The major effects of inflation identified in this paper are firstly an increased direct tax burden - which has been borne exclusively by wage and salary earners; second a conceptually inadequate tax base for both company and non-wage incomes - which has been alleviated by ad hoc adjustments to the company tax base and rendered academic by large scale tax avoidance by non-wage income recipients. Thirdly there has been a wealth redistribution from creditors to debtors which has particularly benefited middle-aged upper-income house purchasers and hurt owners of money, of current accounts and of fixed interest deposits and securities. It is likely that older and lower income groups figure prominently among such owners.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Economic conditions, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

138 GRUEN, Fred (1987), 'The welfare state', address to the RAIPA Seminar on 'The Welfare State', **Canberra Bulletin of Public Administration,** 51, May, 87-9.

This address reviews the themes of the papers delivered at the seminar. It is argued that the ideals of the welfare state were inappropriate and 'the expectations aroused as to what the welfare state could achieve were too great and ignored the other demands to which governments have been subject'. The arguments of Left, Right and 'incrementalist centre' are rehearsed. 'In an unmodified market-dominated economy there will necessarily be large differences in living standards, in incomes, in wealth - in other words in the economic outcomes individuals experience. These vast disparities in results inevitably spawn serious inequalities in opportunities and produce vicious circles of poverty. Any commitment to a reasonable degree of equality of opportunity requires some correction of these glaring inequalities of results. The welfare state can mitigate these inhumane market penalties.'

JUSTICE.

139 GUNTON, R. (1980), 'The Estate Multiplier Method of estimating personal wealth', **Economic Analysis and Policy,** 10(1-2), March-September, 2-25.

The article discusses ways of estimating wealth, mentioning the 'perpetual inventory method', and the 'survey' method, but concentrating on the Estate Multiplier Method which is described in detail, with a discussion of the associated problems. Some applications of the method are listed.

METHODOLOGY, WEALTH.

140 GUNTON, R. (1981), 'Australian wealth-holders by industry, 1956 to 1976', **Economic Analysis and Policy,** 11(1 & 2), March/September, 36-48.

The author uses the estate multipler method to estimate wealth held by Australians, using data published by the Australian Commissioner of Taxation on deceased estates. The analysis is in terms of occupation, not the original source of wealth. The method is described and the effect of using 'multipliers' is explained. As in earlier years, the greatest number of wealthy persons in Australia in 1976 were in the primary sector or were retired or widowed people. Estimates of wealth-holders as compared with the population increase over the period, though some of the increase may be due to the effects of inflation. The low estimate for the increase in the number of millionaires may be due to the 'arrangement' of estates to reduce estate duty liability.

METHODOLOGY, CHANGES OVER TIME, WEALTH.

141 HAIG, B.D. (1980), 'Earnings of migrants in Australia', **Journal of Industrial Relations,** 22(3), September, 264-74.

'Since World War II migrants have accounted for 45 per cent of the increase in the labour force. By the late 1970s about 20 per cent of the labour force comprised first generation migrants. This paper discusses the effect of discrimination in the labour market on the earnings of these migrants.' 'The overall conclusion is that there is some, but not massive labour market discrimination in Australia. Discrimination reduces the earnings of migrants from Southern Europe by 11 per cent. On the other hand, however, earnings of migrants from Northern Europe are above those for the Australian born.' The reasons for these differences are discussed.

FACTORS AFFECTING DISTRIBUTION: Employment, IMMIGRANTS.

142 HAIG, B.D. (1982), 'Sex discrimination in the reward for skills and experience in the Australian labour force', **Economic Record,** 58(160), March, 1-10.

'Human capital equations are estimated for male and females in Australia, which express earnings as the product of endowments and the return on these endowments. The results are used to examine the effect of discrimination on the difference in the average earnings. The effect of occupational segregation on the earnings of women is also examined.'

FACTORS AFFECTING DISTRIBUTION: Education, gender, WAGES.

143 HANCOCK, Keith (1966), 'Earnings-drift in Australia', **Journal of Industrial Relations,** 8(2), July, 128-57.

'The tendency for labour incomes to grow more rapidly than wage-rates fixed by formal institutional methods is widely regarded as a perplexing feature of the labour market and a serious limitation on the effectiveness and flexibility of wages policy.' This paper attempts to analyze Australian earnings-drift since World War II and discusses both the traditional view that over-award payments are a legitimate consequence of informal bargaining and the concern that these payments are a source of inequities in the wage structure. Capacity to pay arguments are taken into account.

CHANGES OVER TIME, WAGES.

144 HANCOCK, Keith (1970), 'The economics of social welfare in the 1970s', in Harold WEIR (ed.), **Social Welfare in the 1970s,** Sydney, Australian Council of Social Service, 17-39.

This paper identifies some of the choices confronting policy makers,which have resulted from economic changes since 1945 which impinge on aspects of social welfare. 'Changes in the level and distribution of real income affect the dimensions of the problems, such as poverty, with which social-welfare policies are concerned.' The aspects considered here are unemployment, economic growth and inflation. The policy decisions affecting social welfare include those relating to relative wages and salaries, the level and relative rates of income tax and the level and composition of social service payments. The author also discusses proposals for a 'negative income tax' as an alternative to present redistributive techniques.

FACTORS AFFECTING DISTRIBUTION: Economic conditions.

145 HANCOCK, K.J. (chairman) (1976), **A National Superannuation Scheme for Australia,** Report of the Committee of Inquiry into National Superannuation, Part One, Canberra, AGPS, 168pp. Other Committee members: K.J. HEDLEY and R.G. MCCROSSIN.

The terms of reference for the inquiry are set out. The volume includes a majority report, and a minority report made by K.J. HEDLEY. 'The recommended scheme embodies a universal flat rate pension, but provides for additional benefits made possible by the collection of income-related contributions'. The minority report recommends the 'evolution of the existing age pension towards a more attractive, but still non-contributory, universal age pension (with liberal selective supplementary benefits for those in need)'. The report deals with basic goals and constraints, including issues such as pension adequacy, the sources of funds, and range of administrative provisions. In discussing the equity of the scheme, the committee comments on the relationship to taxation and the reliance on general revenue to finance the scheme. The overall distributive effect of the scheme would depend on changes in taxation policy.

FACTORS AFFECTING REDISTRIBUTION: Welfare transfers, RETIREES.

146 HANCOCK, Keith J. (chairman) (1985), **Australian Industrial Relations Law and System,** Report of the Committee of Review, Canberra, AGPS, 3 volumes.

Chapter 4 in volume II includes a section on wage relativities and the allocation of labour which is concerned 'with the effects of industrial regulation on the relative rewards of different categories of workers'. The report looks at the arguments found in literature on the subject, relating to the compression of wage relativities, the role of change of relativities and those decisions which have affected 'equal pay' and the ratio of juvenile to adult rates of pay.

WAGES.

147 HANCOCK, Keith and MOORE, Kathryn (1972), 'The occupational wage structure in Australia since 1914', **British Journal of Industrial Relations,** 10, March, 107-22.

The article is a study of Australian wage structure, wage relativities, wage changes and wage determination, intended to 'contribute to the search for explanations of changing wage structures'. Australia had 'a wage structure in the 1950s which, by historical standards, was extremely compressed', but wage movements thereafter caused a pronounced increase in the dispersion of occupational rates. The reasons for these changes are canvassed.

CHANGES OVER TIME, WAGES.

148 HANCOCK, Keith and RICHARDSON, Sue (1981), **Lifetime Earnings and the Private Income of the Aged,** Working Paper Series No. 42, National Institute of Labour Studies Inc., Bedford Park, The Flinders University of South Australia, 26pp.

This paper approaches 'an understanding of the inequality of income among the aged by examining the inequality of earnings of the employed'. It focuses on the differences in the earnings received over the whole of the working life, as distinct from the differences in annual or weekly earnings. Cross-section data from the income distribution surveys conducted in 1968-69, 1973-74 and 1978-9 and from the 1976 Census are analysed. The paper also uses information about a particular group of employees for whom data is available from 1970 to 1979. The methodology of the analysis is explained. The results indicate inequality of lifetime income between men and women. The effects of education and choice of occupation are discussed.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, gender, WAGES.

149 HARCOURT, G.C. (1965), 'A two-sector model of the distribution of income and the level of employment in the short run', **Economic Record,** 41 (93), 103-17.

'The factors which determine the distribution of income between wage earners and profit earners have been much debated in this post-war discussion of economic growth.' The purpose of this paper is 'to examine, for one short period, a model which includes some features of modern industrial economies that have been neglected in recent discussions of economic growth.' 'The main conclusion of the paper is that the traditional Keynesian analysis of short-period equilibrium can be easily adapted to include decisions concerning price making and the choice of technique with the result that the distribution of income as well as the level of employment can be determined.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Employment, economic conditions.

150 HARCOURT, G.C. and IRONMONGER, D. (1956), 'A pilot survey of personal savings', **Economic Record,** 32, 106-18.

The purposes of the survey described in this article 'were to ascertain whether the technique of direct questioning of individuals about their finances could be used successfully in Australia; to investigate the practical problems of conducting such a survey for Australia; and to obtain such information about the characteristics of the population as would be of interest for their own sake and of use in planning a larger survey, in particular, the likely cost of an annual survey throughout Australia.' The authors conclude that such a survey would be worthwhile.

METHODOLOGY.

151 HARDING, Ann (1982), 'An introduction to the social wage' **Social Security Journal,** December, 13-21.

'In this paper the social wage has been defined as those Federal Government cash transfers, goods and services which confer a personal benefit upon individuals - a benefit which in many cases would otherwise have to be purchased out of private incomes.' The difficulty of defining it more clearly is discussed. 'Despite these difficulties, the social wage concept is important. Although an exact description of the social wage is elusive there appears to be broad agreement about its major components, and the magnitude of and trends in the components can provide a very rough guide to the direct impact of government on the living standards of individuals and to shifts in government spending priorities. The social wage also has industrial and political significance, as it appears likely to be part of any Australian prices and incomes policy.' The paper describes some trends in the Federal social wage between 1971-72 and 1982-83.

FACTORS AFFECTING DISTRIBUTION: Social wage

152 HARDING, Ann (1984), **Who Benefits?: The Australian Welfare State and Redistribution,** SWRC Reports and Proceedings No.45, Social Welfare Research Centre, Kensington, University of New South Wales, 147pp.

This study argues that taxation on the one hand, and 'social' expenditure on the other, are key instruments for the redistribution of income and wealth in the community. 1975-76 Household Expenditure Survey data and other information about taxation and budget outlays are analysed to discover who are the net winners and net losers from this redistribution. The author concludes that 'while minimal redistribution occurs through the taxation system, social outlays comprise a significant redistributive force. It need hardly be said, however,that despite the positive impact of the welfare state the distribution of income remains massively unequal'.

FACTORS AFFECTING DISTRIBUTION: Social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

153 HARDING, Ann and WHITEFORD, Peter (1985), **Equity, Tax Reform and Redistribution,** Research Paper No. 28, Policy Review Branch, Development Division, Canberra, Department of Social Security, 89pp.; an abbreviated version appears in **Social Security Journal,** June, 1-11.

'Both the taxation and social security systems have a major effect on income distribution; while the two systems are often considered separately, they overlap so extensively that exclusive concentration upon changes to only one system may frustrate achievement of broader equity goals.' The paper discusses examples of this interaction. It argues that 'whether any particular tax or social security measure is progressive or regressive when considered in isolation is less important than the effect of overall changes to tax-transfer arrangement'. The effects of certain changes in the taxation system on the disposable incomes of low income groups are canvassed, in particular the effects on women, who predominate in low income groups. Some major redistributive priorities are discussed.

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

154 HARPER, R.J.A. (1967), 'Survey of living conditions in Melbourne - 1966', **Economic Record,** 43(102), 262-88.

This account of the survey undertaken by the Institute of Applied Economic and Social Research in the University of Melbourne includes a description of the nature and scope of the project, the selection of the sample by stratification and subsequent selection of dwellings, the questionnaire and the interviewing program. Details are also presented on the processing of the data, the method of analysis of income data and the equivalence scales used to adjust the poverty lines for different family sizes. These scales were derived from 1954 American data. The article also describes the process used to weigh the data according to population estimates and other raising factors. The association of poverty to certain disabilities is shown. The author draws attention to the fact that the estimate of poverty demonstrated here 'is dependent on the methods outlined in this paper: other measures of income and other methods of adjusting income would, no doubt, yield somewhat different results'. He concludes that detailed family budget studies carried out in Australia would be a more satisfactory basis for the study.

METHODOLOGY.

155 HARPER, R.J.A. (1970, reprinted 1975), 'Stage 1 of the survey' in Ronald F. HENDERSON, Alison HARCOURT and R.J.A. HARPER, **People in Poverty: A Melbourne Survey,** Cheshire for the Institute of Applied Economic and Social Research, 15-42.

The chapter describes the survey conducted in 1966 to determine the degree of poverty in Melbourne. Income data collected are presented according to a number of variables. However the tables present income in groups to show the degree of poverty: incomes over $39 (per week) are shown as one group - 'not poor' and accounted for 87.1 per cent of the survey population. The survey and its methodology are described in HARPER (1967), (q.v.).

METHODOLOGY, DEGREES OF INEQUALITY.

156 HARRIS, C.P. (1970), 'Income tax and income distribution in Australia, 1955-6 and 1965-6' in C.P. HARRIS (ed.), **Economic Behaviour: An Anthology of Readings,** Berkeley, McCutchan, 352-64.

The statistics used in this paper come from published reports of the Taxation Department and 'relate to income received by persons who are subject to the payment of income tax and who therefore submit income tax returns'. The author points out that many people do not submit such returns 'because the sole source of their income is a social service pension,' and that inclusion of these people would greatly increase the number of persons in the lower income groups. Also 'the statistics refer to individual taxpayers, whereas the best measure of the inequality of income distribution is based on family income'. Tables present data on the distribution of income in the two years studied in terms of both actual and disposable income, for 28 income classes. Other tables present data about taxable income and income tax paid. Lorenz curves are shown for income distribution, actual income, disposable income, taxable salaries and wages and other taxable income for the year 1965-6. A comparison of Lorenz curves for taxation distribution in the income years 1955-6 and 1965-6 indicates 'a decline in the general progressiveness of the tax system (i.e., the overall effect in 1965-6 was closer to proportionality than in 1955-6)'. Analysis also reveals that over the 10-year period 1955-6 to 1965-6, income tax paid to the federal government rose by $918m. Of this amount 27 per cent was attributable to demographic factors such as population growth, 44 per cent was attributable to the rise in money incomes and 29 per cent 'was attributable to the greater severity of taxation because the tax scales were not adjusted over this period.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

157 HARRISON, Alan (1979), **The Distribution of Wealth in Ten Countries,** Background Paper No. 7, to Report No. 7: Fourth Report on the Standing Reference, Royal Commission on the Distribution of Income and Wealth, London, HMSO, 77pp.

The ten countries for which data on wealth distribution are presented are, in alphabetical order: Australia, Belgium, Canada, Denmark, France, Ireland, New Zealand, Sweden, the USA and West Germany. The different methods used in the collection of data include the 'estate multiplier method' which treats the dead as a random sample of the living; statistics on investment incomes; and sample surveys. The data on Australia, included in the third chapter, is derived from the 1918 Knibbs study (q.v.), from Gunton (1971) (an unpublished ANZAAS paper) and from the **Australian Survey of Consumer Finances and Expenditures of 1966-68,** carried out on behalf of Macquarie University and the University of Queensland, the data from which is analysed by Podder and Kakwani (1976) (q.v).

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, WEALTH.

158 HAUSER, Richard and NOUVERTNE, Udo (1980), **Poverty in Rich Countries: The Case of Germany (FRG) compared with the U.K., Norway, Australia and Belgium,** Discussion Paper No. 39, Universities of Frankfurt and Mannheim, Sonderforschungsbereich 3, 53pp.

'In a recent study by Beckerman et al. (**Poverty and the Impact of Income Maintenance Programmes,** Geneva 1979) a comparison of relative poverty in four countries (Australia, Belgium, Norway and the United Kingdom) has been made for 1973 on the basis of microdata files and a standard international poverty line. On the basis of a similar data file for West Germany, which was hitherto not available, results with respect to the number of poor, poverty gaps, the pattern of poverty and the impact of benefits on poverty are obtained and compared with Beckerman's results for other countries.' The authors discuss the study, drawing attention to a number of methodological difficulties, both in the Beckerman study and in their own. (For a fuller description and reference to the Beckerman study, see **Poverty and Aspects of Inequality in Australia: An Annotated Bibliography,** 1963-1987, No. 3, Research Resources Series, Social Welfare Research Centre).

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

159 HEAD, Brian W. (1980), 'Inequality, welfare and the state: distribution and redistribution in Australia', **Australian and New Zealand Journal of Sociology,** 16(3), November, 44-51.

'This paper is concerned to place the Australian debate on social welfare in a wider context of post-war arguments about the welfare state, and to present Australian and comparative data on the extent to which state activities succeed in modifying the underlying pattern of inequality generated by market forces.' Data is presented to show that the distribution of income in Australia remains unequal, although 'there has been a long-term tendency towards reduction of extremes'. Redistribution through personal income taxation and through cash transfers and public goods is explored. The author argues that the limits of redistribution are imposed by the operation of the system within the capitalist state.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

160 HEAD, Brian (1982) 'The new right and welfare expenditures', in Marian SAWER (ed.), **Australia and the New Right,** Sydney, George Allen and Unwin, 100-19.

The chapter focuses 'on recent patterns of public expenditures and revenue-raising by federal governments in Australia, with a view to elucidating differences between the social democratic and new right approaches, and their implications for economic inequality and the welfare state. In order to understand these implications, it is first necessary to examine the extent of economic inequality in Australia in recent years and the kinds of equality desired by proponents of welfare measures.' This is followed by a consideration of Liberal and Labor policies on taxation and public expenditures. A final section discusses in a comparative context the extent to which social democratic and right-wing governments have succeeded in bringing about a more egalitarian distribution of resources in the advanced capitalist societies, and some reasons why social reality has been resistant to reformist intentions.

DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

161 HEAD, John G. (ed.) (1983), **Taxation Issues of the 1980s,** Papers presented at a conference organised by the Centre of Policy Studies, Monash University, Sydney, Australian Tax Research Foundation, 438pp.

The volume includes the papers presented at a conference 'designed to deal systematically with the major types and areas of taxation at the national level in Australia.' Part One begins with an overview by the editor, of major problem areas in the Australian tax system. Part Two contains seven papers which deal with issues in the area of personal direct taxation. Part Three brings together three comprehensive studies 'which together provide an interesting overview of the equity and efficiency effects of the present system as it operated in the mid-1970s.' Nanak KAKWANI (q.v.) provides estimates of the redistributive effects of the personal income tax and social security system. Neil WARREN provides detailed estimates of the distribution of tax burdens by income class for all Australian taxes, federal, state and local, in 1975-76 and John PIGGOTT provides quantitative estimates of the inefficiencies and redistributive effects of the Australian tax system utilising a sophisticated general equilibrium tax model. Part Four of the volume deals with company taxation, and Part Five is concerned with issues in sales and excise taxation. Part Six turns to the issue of wealth taxation and includes a chapter on recent developments in that area in Australia by Peter SAUNDERS (q.v.). Part Seven is about tax avoidance.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, WEALTH.

162 HEAD, John G. (ed.) (1986), **Changing the Tax Mix,** Papers presented at a conference organised by the Centre of Policy Studies, Monash University, Conference Series: No. 6, Australian Tax Research Foundation, Sydney, 401pp.

The aim of the conference, of which this volume is a record, was to cover the main structural reform issues relating to the mix of taxes (as between personal income tax and indirect taxes such as sales and excise taxes) and to income and wealth taxation. Part One presents alternative tax reform scenarios from the Australian Treasury (by David MORGAN) and the United States Treasury (Harvey GALPER). Part Two contains eight papers analysing the implications of a major switch of emphasis from income tax to indirect consumption taxes, some of which are separately annotated (see PIGGOTT, WARREN, and COX and FOSTER). Part Three reviews relevant overseas experience relating to some of the options raised (by John F. DUE and Cedric SANFORD). In Part Four, some of the major issues in the reform of income and wealth taxation are reviewed. The final section offers just one short paper, on the political dimension, by Cliff WALSH who argues that tax reform is inherently a highly political issue. He reviews alternative strategies, including compensation and packaging, which might be employed to promote political acceptance of needed reforms.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

163 HEAD, John G. (ed.) (1989), **Australian Tax Reform: In Retrospect and Prospect,** Papers presented at a conference organised by the Centre of Policy Studies, Monash University, Conference Series: No. 8, Sydney, Australian Tax Research Foundation, 531pp.

The chapters in this volume are divided into four sections. Part One, an overview and international perspectives, consists of papers by the editor, by E.A. EVANS and Ian MCKENZIE, by Charles E. MCLURE Jr. and R.J. STEPHENS. Part Two, on Income Tax Reform, includes papers by D.J. COLLINS (Taxation of fringe benefits), John BOSSONS, Wayne MAYO, Richard M. BIRD, Daryl DIXON (Retirement savings), Peter WHITEFORD [see WHITEFORD (1988)] and Patricia APPS (q.v.) (A comparative analysis of income tax and transfer options). Part Three is concerned with the possibilities of the tax mix, with papers by Geoffrey M. BASCAND, Sijbren CNOSSEN, and Geoffrey BRENNAN (Tax mix and horizontal equity). Part Four is concerned with tax incidence and economic effects, making estimates and describing the methodology, with papers by John PIGGOTT, N.A. WARREN [see WARREN (1986)], Glenn JONES and Elizabeth SAVAGE, and G.A. MEAGHER and B.R. PARMENTER.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

164 HILLER, Peter (ed.), (1981), **Class and Inequality in Australia: Sociological Perspectives and Research,** Sydney, Harcourt Brace Jovanovich, 292pp.

The book aims to present an 'overall view of the direction and diversity of Australian sociological work on inequality and class.' There are eighteen chapters in the book, some of which present abstract debates, others cover a wide variety of empirical research into social inequality. The editor discusses the uses of terms such as 'class' and 'social stratification' as used by the various authors. Various chapters refer to inequality of income and income distribution directly, for instance: J.H. COLLINS in 'Deprivation, discrimination and degradation: immigration, class and inequality in Australia'; Lois BRYSON in 'Poverty and poverty research in Australia'; Jean MARTIN in 'Marriage, the family and class'. Other chapters have more general references to the role of income as a determinant of social or class position.

FACTORS AFFECTING DISTRIBUTION: Class.

165 HORIN, Adele (1988), 'Equal pay: the gap won't budge', **Australian Society,** 7(7), July, 36-7.

'The two-tier wage system has failed to narrow the gap between men's and women's wages, despite the claims of the ACTU that the system would benefit low-paid women workers.' The recently introduced tax cuts 'favoured the well-off' and and have 'substantially widened the inequalities between men and women's take-home pay'.

FACTORS AFFECTING DISTRIBUTION: Gender, FACTORS AFFECTING REDISTRIBUTION: Taxation, WAGES.

166 HORN, Robert V. (1981), **Fiscal Welfare Effects of Changes in Australian Income Tax, 1972-73 to 1980-81,** SWRC Reports and Proceedings No. 9, Kensington, Social Welfare Research Centre, University of New South Wales, 59pp.

'The taxation system affects the fiscal welfare of individuals. Its operation is determined by a variety of economic, social and political considerations, and its impact depends not only on the tax laws themselves but also on income distribution and inflation. This paper reviews changes in the Australian personal income tax over the period from 1972-3 to 1980-1. The principal factors, such as exemption limits, tax rates, concessions for dependants and inflation are first dealt with separately, and then their combined effect is reviewed for taxpayers at various levels of income and responsibility for dependants. The general conclusion is that the burden of income tax has increased over the period for all incomes, except for very low earners who have become tax exempt through successive tax reforms. For others, there has been a small relative shift in the tax burden from high earners to those at middle or low income levels; and also a relative shift in the tax burden from taxpayers without dependants to those with dependent children and relatives.'

CHANGES OVERTIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

167 HOUGHTON, Stewart (1988), 'Income differentials and housing costs in cities and suburban areas', **Urban Policy and Research**, 6(4), December,161-70.

'The first part of this paper examines housing expenditure and income variation in Australia's mainland capital cities. Housing costs are then related to spatial variations in average household income within the Perth metropolitan area using data from the 1986 census.'

GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Housing.

168 HUGHES, Barry (1973) 'The wages of the strong and the weak', **Journal of Industrial Relations**, 15(1), March, 1-23.

'It is frequently asserted that the existence of a national arbitration system has imparted to Australian wage fixation a more egalitarian flavour than found elsewhere.' 'Like most national myths, this proposition is often treated as a self-evident truth for which empirical confirmation would be superfluous.' This paper considers 'the obstacles to the use of force in obtaining **relative** wage increases under collective bargaining', then turns to an examination of the evidence. Comparisons of inter-industry earnings structures and differentials in Britain and the US are made using data from detailed industry breakdown. 'The view of the operation of labour markets presented in the opening section of this paper and the degree of accord between inter-industry wage structures in Britain and Australia in the early 1960s combine to suggest that the Australian arbitration framework did not at that time exert much of an equalizing effect on the industrial wage structure.'

WAGES.

169 INDUSTRIES ASSISTANCE COMMISSION (1975), 'Rural income fluctuations - certain taxation measures', **Parliamentary Paper No. 190,** Canberra, AGPS, 80pp+.

'It is a consequence of a progressive income tax schedule that where two individuals have the same average taxable income over a period, the individual whose income fluctuates more pays more tax. For this reason many countries including Australia have tax-averaging schemes to introduce more equity amongst taxpayers.' The paper presents data on the extent of fluctuations in farm incomes, examines the effects of tax-averaging procedures and recommends their continuation.

FACTORS AFFECTING REDISTRIBUTION: Taxation, RURAL.

170 INGLES, David (1981), **Statistics on the Distribution of Income and Wealth in Australia**, Research Paper No. 14, Research and Statistics Branch, Development Division, Canberra, Department of Social Security, 61pp.

This paper gives an overview of the various statistical sources on the distribution of income and wealth in Australia, and 'indicates their relative strengths and weaknesses'. The main emphasis is on income statistics as indicators of how equally or unequally economic well-being is distributed in the community. The paper also mentions wealth statistics, although the data are neither extensive nor reliable. There is a brief discussion of problems in making international comparisons, and some considerations are presented of future statistical needs. The paper begins by looking at 'some of the issues involved in interpretation of the data, and in the use of summary dispersion measures'. These issues include discussion of the definition of income, housing and assets, earnings capacity, sources of inequality and ways of measuring inequality. The sources of statistics discussed are the 1915 War Census, the 1933 Population Census, income tax statistics, estate duty statistics, the Australian Survey of Consumer Expenditures and Finances 1966-67 (the 'Macquarie Survey'), ABS Income Surveys of 1968-69, 1973-74, 1978-79 and 1981-82, the National Survey of Income 1973 (A special ABS survey undertaken for the Commission of Inquiry into Poverty), ABS Household Expenditure Surveys 1974-75 and 1975-76, ABS General Social Survey 1975 and ABS Census of Population and Housing 1976 and 1981. The publication also includes a paper, 'Income distribution statistics and policy implications', presented to a workshop on Income Distribution and Redistribution in 1981, organised by the Melbourne Institute of Applied Economic and Social Research.

METHODOLOGY, DEGREES OF INEQUALITY.

171 INGLES, David (1986), 'Dividing up the nest eggs', **Australian Society,** 5(3), March, 19-22.

The article is concerned with retirement income in the light of extensions and improvements to occupational superannuation. 'Benefits under occupational superannuation are closely connected to employment and salary history, and provide little scope for income redistribution. Indeed, the tax concessions given to superannuation funds give it a regressive character, favouring higher income earners.' Implications for the age pension are considered.

FACTORS AFFECTING REDISTRIBUTION: Occupational welfare, RETIREES.

172 INTERNATIONAL ASSOCIATION FOR RESEARCH IN INCOME AND WEALTH, (Rose KNIGHT, ed.) (1964) **Bibliography on Income and Wealth, Volume VIII, 1957-1960,** International Association for Research in Income and Wealth, 304pp. (Earlier volumes have different editors: Daniel CREAMER and Phyllis DEANE).

The subject matter of this bibliography is the measurement of the income and wealth of nations. 'The first part includes writing on concepts and methods relating to income and wealth measurement and on the uses of these national aggregates for various purposes, such as the formulation of economic policy or growth models. The middle section deals with international comparisons of national estimates, and a final section refers to estimates of the aggregates for the many countries included in this volume.' The bibliography includes references to and annotations of published and unpublished papers with relevant Australian data, as well as Treasury papers, National Account papers, publications of the Commonwealth Bureau of Census and Statistics (later Australian Bureau of Statistics), and various State bodies which have presented data on income, taxation and wealth accumulation.

BIBLIOGRAPHIES.

173 JACKSON, Michael (1985), 'Redistribution of income: Robin Hood's economics', **Current Affairs Bulletin,** 61(10), March, 14-18.

Policies to redistribute wealth in Australia are examined. The policy of making the poor richer by making the wealthy pay more taxes is explored in more detail. The author argues that in order to redistribute income so that the poor would have an income equal to 50 per cent of the median income of the society, the incomes of many middle income earners would need to be greatly reduced by taxation. The criteria of justice favoured by the author are 'merit, desert and need', which 'will not become the conscious values of our society until the fascination with material things and the arguments of equity and equality based on these things are put aside'.

FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

174 JAMROZIK, Adam (1983), 'The economy, social inequalities and the welfare state: implications for research', in Jo JARRAH (ed.), **53rd ANZAAS Congress: SWRC Papers,** SWRC Reports and Proceedings No. 31, Kensington, Social Welfare Research Centre, University of New South Wales, 80-118.

The main proposition of this paper is that debate and research in the social welfare areas have become truncated because of the importance given to income support as a redistributive mechanism and because of the legitimization of the subjugation of social policy to the market economy. Research has become concentrated on the poor or 'disadvantaged'. The paper calls for similar systematic study of the non-disadvantaged groups. 'It is not possible to explain adequately how people become or remain poor unless we also explain how other people become and remain well-off, or rich.' Data are presented which indicate that the middle classes are recipients of a high proportion of resources for which there is no requirement to prove entitlement, such as education, health, housing and taxation deductions, services not commonly thought of as welfare.

FACTORS AFFECTING DISTRIBUTION: Social wage, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers, JUSTICE.

175 JAMROZIK, Adam (1984), 'The welfare state: an instrument of redistribution or of inequality?', in Rosemary HOOKE (ed.), **54th ANZAAS Congress: SWRC Papers,** SWRC Reports and Proceedings No. 47, Kensington, Social Welfare Research Centre, University of New South Wales, 119-43.

'The thesis advanced in this paper is that while the welfare state might be a "burden" on the economic market, it is also instrumental in enabling the market to function (as Keynes would have argued). In fact, public expenditure (of which welfare allocations are a part) has shown a trend toward greater integration with the economic market, often acting as the stimulus for the activities in the latter. However, the greater the role the welfare state performs in assisting the economic market to function, the more it becomes instrumental in maintaining or reinforcing the inequalities generated in the market, rather than alleviating or countervailing these inequalities. It is evident, for example, that despite increasing allocations to social welfare services and income maintenance provisions, the inequalities in the distribution of income and wealth have not diminished.' The paper suggests some reasons for this trend.

FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

176 JAMROZIK, Adam (ed.) (1986), **Income Distribution, Taxation and Social Security: Issues of Current Concern,** SWRC Reports and Proceedings No. 55, Kensington, Social Welfare Research Centre, University of New South Wales, 148pp.

The opening paper at this seminar was delivered by Bettina CASS, on 'The case for review of the Australian social security system'. The broad objectives of the review 'are to provide a longer-term perspective on priorities for the Australian social security system and to identify various steps which could be taken in the shorter term to improve the effectiveness of the system'. Peter WHITEFORD delivered a paper on 'Horizontal equity in tax-transfer arrangements', in which he describes the major features of the personal income tax and social security systems, discussing the parallels between the two systems and analysing their interactions. Some of the issues raised are concerned with the objectives of family assistance, the adequacy of payments, the argument concerning universal or selective support and incentives to work. It is concluded that 'current arrangements recognise and support only some forms of dependency, and in particular are mainly directed towards dependencies that arise in the content of traditional family relationships'. Joan VIPOND's paper on 'Poverty and housing costs' summarises the most important findings made in research in this area. It presents estimates of national levels of poverty measured before and after people have paid for their housing. The paper by Keith WINDSCHUTTLE, 'Older workers, unemployment and welfare payments' presents data on labour force participation rates of people aged 55 years and over between 1972 and 1985. The causes and implications of the fall in participation are discussed. The final paper, by the editor, 'Social policy: are there alternatives to the welfare state?', addresses some theoretical issues of social policy and the welfare state, so that the specific issues raised in the earlier papers can be seen in a wider perspective.

FACTORS AFFECTING DISTRIBUTION: Age, employment, housing, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, RETIREES, JUSTICE.

177 JAMROZIK, Adam (1986), 'Social security and the social wage: priorities and options in social policy', in Adam JAMROZIK (ed.), **Social Security and Family Welfare: Directions and Options Ahead,** SWRC Reports and Proceedings No. 61, Kensington, Social Welfare Research Centre, University of New South Wales, 9-41.

The paper 'examines some of the current issues in social policy and social welfare, in the context of the division of responsibility in the Australian Federal system of government. The issues that are especially considered are income support provisions and services and utilities which are sometimes regarded as parts of the "social wage". The paper aims to identify possible priorities and options in social security and social welfare under conditions and constraints of a "deregulated" economy, which are experienced now and are likely to intensify in future. The problem of inequality generated in these conditions is seen as the main issue for social policy considerations.' The author argues that the trend has been towards greater inequality, with great affluence at the top, a large and growing middle class of business and professional people with a comfortable income and life style, a shrinking working class 'whose income and employment security are becoming more uncertain', and a growing dependent class, 'the residue of the market economy - whose living conditions become further and further removed from the mainstream of economic and social life'.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, social wage, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers, JUSTICE.

178 JAMROZIK, Adam (1987), 'Winners and losers in the welfare state: recent trends and pointers to the future', in Peter SAUNDERS and Adam JAMROZIK (eds), **Social Welfare in the Late 1980s; Reform, Progress or Retreat?,** SWRC Reports and Proceedings No. 65, Kensington, Social Welfare Research Centre, University of New South Wales, 45-78.

The paper is concerned with changes in the operation of the 'welfare state' which have produced 'winners and losers'. It includes a discussion of changes in social structure which have involved the entry of more women, especially married women, into the labour market and the effect of these changes on the distribution of individual and especially of family income.

FACTORS AFFECTING DISTRIBUTION: Employment, gender, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

179 JAMROZIK, Adam and HOEY, Marilyn (1981), **Workforce in Transition: Implications for Welfare,** SWRC Reports and Proceedings No. 8, Kensington, Social Welfare Research Centre, University of New South Wales, 64pp.

Some of the changes which occurred in the structure of the workforce in Australia during the 1970s are examined in this paper. It aims to consider the significance these changes may have for Australian society and its workforce, the implications of the changes for social policy and 'the appropriate research methods of identifying social and social welfare issues in economic activities'. The underlying assumption in the paper is that the changes are significant not only for the economy but for the well-being of the people. This well-being is affected not only by the extent of the country's wealth, but also by the way that wealth is distributed among the population. Distribution does not occur solely through the operation of market forces, but is affected by the decisions of governments. The report discusses low income earners in relation to the taxation system and the need for increased public expenditure on income maintenance and allied services.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, employment, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

180 JAMROZIK, Adam, HOEY, Marilyn and LEEDS, Marilyn (1981), **Employment Benefits: Private or Public Welfare,** SWRC Reports and Proceedings No. 15, Kensington, Social Welfare Research Centre, University of New South Wales, 138pp.

This report is concerned with the subject of occupational welfare, that is, benefits received by employees in addition to wages or salaries. The benefits examined are those received by wage and salary earners (not employers or self-employed persons), those benefits which are received as money or money equivalent (but not qualitative benefits relating to the work environment) on a discretionary basis (but not statutory benefits such as long service leave). Superannuation is included even though it may be mandatory in some industries. The data analysed are mainly the results of the ABS survey of employment benefits in 1979, data from previous surveys, employment benefits advertised in the positions vacant columns over a period in 1981, and information from business management journals. The distribution of benefits has been related to variables used in the ABS survey, and benefits have been classified into four categories: capital accumulation, cash or cash-equivalent allowances, goods and services and investment in human capital. The findings show that non-statutory employment benefits amount to probably 10 to 20 per cent of the total earnings derived from wages and salaries; their distribution favours higher level employees in business, finance and property services and in mining. The lowest levels are received by employees in personal services. A significant proportion of the costs of the benefits is borne by the state through taxation revenue forgone, and by the community through higher prices of goods and services.

FACTORS AFFECTING REDISTRIBUTION: Occupational welfare.

181 JENKINS, Stephen (1988), **The Measurement of Economic Inequality,** Working Papers in Economics and Econometrics No. 170, Canberra, Australian National University, 55pp.

'This paper surveys the theoretical literature on income inequality measurement. It is directed at non-specialists, and to this end, the presentation is non-technical and formal proofs are eschewed.' It discusses the issues arising when preparing income distribution for analysis: those concerning the definition of "income", of the income unit, and the time period over which income is defined. The paper also seeks to motivate and provide results on how to rank distributions in terms of their inequality and discuss a range of summary indices with reference to desirable properties. It is shown that indices from the Atkinson and Generalized Entropy family need to be given greater emphasis in empirical work than commonly-used indices such as the Gini coefficient. Moreover there are also easily - implementable checks available based on Lorenz Curve (and other) comparisons which often enable conclusions about inequality to be drawn even where there is no agreement about which particular index should be used. For those wishing to explore the literature in greater depth, a Further Reading section provides a selective annotated guide.

METHODOLOGY, BIBLIOGRAPHIES.

182 JOHNSON, Ken (1972), **People and Property in North Melbourne,** Urban Research Unit, Research School of Social Sciences, Canberra, Australian National University, 240pp.

Within this detailed description of the activities, status and property of the population of North Melbourne, there is a short section (pp.123-35) which deals with income. Data is presented about 'head' income, household income and personal income. 'All three measures of income show the predominance of low socio-economic status people among the residents of North Melbourne.'

DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES.

183 JONES, Evan (1978), **An Examination of Earnings Differentials in Australian Manufacturing Industry,** Working Papers in Economics No. 26, Department of Economics, University of Sydney, 134pp. Prepared with the assistance of Mary MACDONALD.

'This paper examines earnings differentials of manual labour in Australian manufacturing industry.' It is concerned to investigate the origins of differences in average earnings at an industry level within the manufacturing sector.

The period examined covers the years 1968-69 to 1973-74. The paper examines the determinants of the **level** of earnings and of the **change** in earnings differentials during the period. It is concerned both with the origins of historically determined differentials and with the question of whether such factors are influential in recent experience. 'Two major issues are subject to examination - firstly, the influence of industrial structure on earnings differentials; secondly, the relation between earnings differentials and the segmentation of the manual workforce by the non-skill divisions of sex and nationality. Moreover, the study examines the potential interrelation between industrial structure and workforce segmentation.' The conclusions reached are reported in terms of industry characteristics and economic conditions, the orthodox theory of earnings differentials (including reference to human capital theory), labour market segmentation by sex and ethnicity, worker bargaining power, the dynamics of the period, wage spillover and comparative wage justice.

CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Economic conditions, education, employment, gender, WAGES, IMMIGRANTS.

184 JONES, F. Lancaster (1975), 'The changing shape of the Australian income distribution, 1914-15 and 1968-69', **Australian Economic History Review,** 15(1), March 21-34.

This article compares the distribution of income as shown in the November 1969 survey carried out by the Australian Bureau of Statistics with the data from the 1915 War Census, to determine where there has been a change in the degree of inequality. The comparison shows a significant reduction in inequality of income distribution among men, though the changes in the distribution of income among women is more difficult to interpret. The role of taxation is also discussed.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Gender, FACTORS AFFECTING REDISTRIBUTION: Taxation.

185 JONES, F.L. (1983), 'Sources of gender inequality in income: what the Australian Census say', **Social Forces,** 62(1), 134-52.

'Both historically and comparatively, under competitive and state-directed labour markets, women have not earned incomes equal to those of men. While in Australia equal pay decisions have in less than a decade increased the female/male earnings ratio by almost one third, a high and relatively stable degree of occupational segregation makes it questionable how far equal pay decisions can increase the lower lifetime incomes that women earn compared with men. Data from the 1976 Australian census, which allows some assessment of how worker characteristics and the sex-typing of jobs affect the lower incomes of women, lead to the general conclusion that, while direct wages discrimination may have been virtually eliminated, occupational segregation by gender, discontinuous career patterns and part-time employment continue to depress the earnings of women.'

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Employment, gender, WAGES, WOMEN.

186 JONES, Frank (1984), 'Income inequality', in Dorothy H. BROOM (ed.), **Unfinished Business: Social Justice for Women in Australia,** Sydney, George Allen and Unwin, 101-115.

Changes in the composition of the workforce between 1969 and 1983 form the focus of this paper which 'sets out to document the changes that have occurred in the relative incomes of Australian women and men, mainly as a result of equal-pay decisions, and to assess changes in the degree of inequality in individual incomes of different kinds'. It includes a discussion of discrimination in the Australian labour market, demonstrating the existence of 'direct' and 'indirect' discrimination as it affects wages. Using ABS income survey data, income inequality among individuals is explored. (Due to the change to 'income units' in 1978-79 from 'families' in 1968-69 it is difficult to interpret data other than that collected for individuals). Tables present data on mean income by gender and age and show 'a significant redistribution of incomes, both earned and unearned, and of employment opportunities in favour of women'. The author warns that these changes 'do not translate unambiguously into changes in the welfare of income-sharing units'. The chapter concludes with a further consideration of discrimination in the labour market.

Comments on this paper by Bruce CHAPMAN are included in the book (pp.116-19). They relate to the importance of judgements by the Arbitration and Conciliation Commission and also to the importance of disaggregating the data on income to correct for sex differences in observable skill levels.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, employment, gender, WAGES, WOMEN.

187 JONES, M.A. (1983), **The Australian Welfare State: Growth, Crisis and Change,** Sydney, George Allen and Unwin, 355pp.

A short section of this general book on 'control and reform in Australian society' is concerned with inequality (pp.147-52). It discusses differences in income and wealth, international comparisons of inequality, social mobility, relative deprivation and the importance of income as a measure of well-being.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Class, JUSTICE.

188 JORDAN, Alan (1987), **The Common Treasury: The Distribution of Income to Families and Households, Volume 1: Method, Families and Households** and **Volume 2: Older Men, The Extremes, Incomes and Inequality,** Background/Discussion Paper No. 22, Canberra, Social Security Review, 239pp.; also Research Paper No. 37, Policy and Research Branch, Department of Social Security.

The first chapter of the publication, 'Economy, society and welfare', introduces issues related to differences in incomes and wealth in the Australian community. It deals with degrees of inequality, the distribution of income and welfare and introduces definitions of terms used in measurement (income unit, equivalence, poverty), as well as theories of higher and lower income. The second chapter describes the data available from the ABS **Income and Housing Survey** and canvasses issues involved in its analysis. Following chapters present analyses of the data relating to specific groups: workers, non-workers, families, women and children, households and older men. Chapter 8 is concerned with the extremes of earned income, describing the characteristics of those in the group with low and high equivalent incomes and attempting to provide some explanations for the differences.

The following chapters are concerned with such issues as 'laws and customs' of Australian society, equality and redistribution (including the concept of 'equality as a policy' and the relationship of welfare to equality), as well as the role of the taxation and social security systems in the promotion of equality, or at least, in the reduction of inequality. The author concludes that although income is redistributed by social security payments, 'the net redistribution is considerably less than gross expenditure', 'the extent to which the social security system contributes to reduction of inequalities other than income is unclear', and 'substantive inequality is probably not redressed and ... may be aggravated by segregation or stigmatisation'. Only changes affecting the primary distribution of income (reduction of inherited inequality, prevention of child poverty, access to education and a fair labour market) can achieve greater equality.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Class, employment, inheritance, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

189 KAKWANI, N.C. (1976), **Household Composition and Measurement of Income Inequality and Poverty with Application to Australian Data,** Discussion Paper No. 19, School of Economics, Kensington, University of New South Wales, 34pp.

This study aims to 'estimate the consumer unit scales for Australia', and 'to investigate the effect of family composition on the measurement of income inequality and poverty'. The paper discusses and describes the model used for estimating the household composition effect and outlines the estimation method. Numerical estimates of the consumer unit scales are presented, using Australian data. The measurement of income inequality after taking into account the household composition is discussed. The paper then presents some findings from analyses made using the measurement scales developed. Results are presented for family types and also per capita after correcting for the family composition effect, for the year 1966-7. The lowest mean income is that of households with head, wife and three children. Poverty analysis is presented in tables, according to: the sex of the household head, the marital status of the head, the age of the head, the educational status, the occupation, the industry at work, the country of birth and length of residence, all of the household head.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Family.

190 KAKWANI, N.C. (1977), 'Measurement of tax progressivity: an international comparison' **Economic Journal**, 87 (345), March, 71-80; also appeared (1976) as Discussion Paper No. 17, School of Economics, University of New South Wales, 22pp.

'This paper focuses on the problems of measurement of progressivity in taxation and public expenditure.' 'One of the aims of this paper is to show how the distributional effect of taxation is influenced by changes in the average tax rate while progressivity is held constant and vice versa. Further the method enables one to study the contribution of individual taxes and expenditure items to the overall progressivity of the fiscal system of taxation and public expenditure. Finally, the methods developed are applied to the empirical investigation of fiscal operations in four developed countries - Australia, Canada, the United Kingdom and the United States.' The results show that 'the reduction in income distribution resulting from taxation depends not only on the degree of tax progressivity, as is commonly believed, but also on average tax rate'.

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation.

191 KAKWANI, N.C. (1977), 'Redistributive effects of alternative negative income tax plans', **Public Finance**, 32(1), 77-91.

'A number of negative income tax plans have been proposed in the literature to transfer income from the rich to the poor to reduce poverty. This paper provides a method of comparing the redistributive effect of alternative plans.' The Gini-index of the disposable family income is used as a measure of inequality for the purpose of comparison.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

192 KAKWANI, Nanak (1978), 'Taxation in an inflationary economy: a note', **Economic Record**, 54(145), April, 140-2.

The note seeks to demonstrate that for certain forms of elasticity of the income tax scale, when taxes are not indexed for inflation, then inflation will make after-tax income more equally distributed.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, FACTORS AFFECTING REDISTRIBUTION: Taxation.

193 KAKWANI, Nanak C. (1980), **Income Inequality and Poverty: Methods of Estimation and Policy Applications**, A World Bank Research Publication, Oxford University Press, 416pp.

The book is concerned with 'the distribution of income among individuals, households and other units'. A brief review of alternative theories of the size distribution of income is presented. The study is divided into six parts. The first concerns distribution patterns and descriptive analysis and covers income distribution functions, the Lorenz curve and its relationship to social welfare. Part 2 is concerned with the measurement of income inequality and Part 3 describes applications of Lorenz curves in economic analysis. The remaining parts provide economic applications and discuss expenditure systems and income inequality, policy applications (redistribution through taxation, the measurement of tax progressivity and built-in flexibility, including an international comparison, the redistributive effect of alternative negative income tax plans, negative income tax, work incentives and income distribution) and the measurement of poverty.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

194 KAKWANI, N.C. (1981), **Conceptual Problems in the Analysis of Income Distribution in Australia,** Working Paper No. 26, Centre for Applied Economic Research, Kensington, University of New South Wales, 59pp.

'This paper deals with the issues concerning the measurement of the distribution of economic welfare in Australia.' The paper is not concerned with non-monetary factors which may have an effect on economic welfare of individuals or families, but is confined 'to those questions of a conceptual nature which arise if we use money income as a measure of economic welfare.' Australian data is used where possible and an indication is given of 'the bias that is introduced in the Australian case, through using a less than ideal concept'.

The measurement issues discussed here are: the income recipient unit; the income concept; the household net worth or wealth; the time period of measurement; voluntary leisure; and differing needs of recipient units.

METHODOLOGY.

195 KAKWANI, Nanak (1981), **Income Redistribution and the Australian Indirect Tax System,** Working Paper No. 28, Centre for Applied Economic Research, Kensington, University of New South Wales, 18pp+.

This paper provides 'estimates of the degree of progressivity (or regressivity) of the sales or excise tax on more than 300 individual consumption items. These estimates based on the Australian **Household Expenditure Survey 1975-76** provide a guideline for determining the tax rates on individual consumption items.' The progressivity index of income tax is reported for purposes of comparison.

FACTORS AFFECTING REDISTRIBUTION: Taxation.

196 KAKWANI, Nanak (1983), 'The impact of personal income taxation and government transfers on income distribution and poverty in Australia' in John G. HEAD (ed.), **Taxation Issues of the 1980s,** Papers presented at a conference organised by the Centre of Policy Studies, Monash University, Sydney, Australian Tax Research Foundation, 153-80.

The main purpose of this study 'is to measure the direct impact of the Australian personal income tax and government cash transfers on the distribution of household income by size of income and by other household characteristics'. The chapter includes an overview of the tax system and of the social security system, defines 'income' and 'income recipient unit' as used in this work and describes the assumptions made about tax incidence. The various measures used in the calculations are explained. Results presented show that government transfer do serve to redistribute income towards the less well-off. 'An additional 10 per cent of the population would be poor without the transfer mechanism. But the reduction in the incidence of poverty for adults is far greater than that for children'. However poverty is increased by taxation, 'in complete contrast to the norm set by the Taxation Review Committee that people in poverty should be relieved of taxation.'

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

197 KAKWANI, Nanak (1983), **Redistribution Effects of Income Tax and Cash Benefits in Australia,** CAER Paper No. 18, Centre for Applied Economic Research, Kensington, The University of New South Wales, 108pp.

The aim of this paper is 'to measure the direct impact of the Australian personal income tax and government cash transfers on the distribution of household income by size of income and by other household characteristics'. One of the household characteristics taken into account is the employment status of the head of the household, and the results indicate that the most severe poverty was observed among households whose head was unemployed. 'More than 66 per cent of persons in these households were poor. This is an extremely high level of poverty in a country as affluent as Australia. Government transfers reduce poverty in this group from 76.4 per cent to 64.4 per cent but then taxes increase it to 66.1 per cent. These observations demonstrate the ineffectiveness of the unemployment benefits to have a significant impact on the level of poverty. Since unemployment benefits per recipient have not kept pace with the inflation, their real value has been reduced drastically. This has accentuated the already severe poverty among these households.'

FACTORS AFFECTING DISTRIBUTION: Employment, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

198 KAKWANI, Nanak (1986), **Analyzing Redistribution Polices: A Study Using Australian Data,** Cambridge, Cambridge University Press, 293pp.

'The main objective of government redistributive policies is to increase the welfare of the people.' This study develops appropriate techniques to analyse the extent and nature of income inequality and welfare in society and to measure the direct impact of taxes and government cash transfers on the distribution of income and welfare by size of income and other household characteristics. The techniques are shown in use on data from the **Household Expenditure Survey, 1975-76.** The study takes into account income recipient units and their differing needs and the concept of income in the analysis of income distribution. It discusses measures of income inequality, redistribution and equity already in use, including measures of tax progressivity and horizontal and vertical equity. The distribution of income in Australia is described, the tax rates and government benefit rates by income ranges are presented. The effects of taxes and cash benefits are estimated and the redistribution of income within and between socio-economic and demographic groups analysed. The progressivity of sales tax on more than 350 individual expenditure items is also estimated. The final part of the book deals with welfare and poverty, analysing the distribution of welfare, discussing optimal negative income taxation, and showing the impact of taxes and cash benefit on poverty. An Appendix describes the data sources used and their accuracy. The author regrets the absence of data on assets, debt and net worth.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

199 KAKWANI, N.C. and PODDER, N, (1973), 'On the estimation of Lorenz curves from grouped observations', **International Economic Review,** 14(2), June, 278-92.

'This study has two basic objectives. On the one hand, our purpose is to estimate the concentration ratio for Australia on the basis of data collected in a survey of consumer expenditures collected during 1967-68. To that end certain equations for the Lorenz curve have been proposed with the help of which an accurate estimation of the concentration ratio is possible. On the other hand, the problem of estimating the Lorenz curve from the grouped data has been considered... The second section of this paper contains a general discussion of the Lorenz curve and its relation with the income density function. The alternative equations for the Lorenz curve are also suggested in the same section. An estimation method has been developed in the third section. The fourth section presents the numerical estimates of the alternative equations of the Lorenz curve and the concentration ratio for Australia.'

METHODOLOGY, DEGREES OF INEQUALITY.

200 KAKWANI, N.C. and PODDER, N. (1976), 'Efficient estimation of the Lorenz curve and associated inequality measures from grouped observations', **Econometrica,** 44(1), January, 137-48.

'This paper introduces a new coordinate system for the Lorenz curve. Particular attention is paid to a special case of wide empirical validity. Four alternative methods have been used to estimate the proposed Lorenz curve from the grouped data. The well known inequality measures are obtained as the function of the estimated parameters of the Lorenz curve. In addition the frequency distribution is derived from the equation of the Lorenz curve. An empirical illustration is presented using the data from the Australian Survey of Consumer Expenditure and Finances 1967-68.'

METHODOLOGY, DEGREES OF INEQUALITY.

201 KARMEL, P.H. and BRUNT, M. (1962), **The Structure of the Australian Economy,** Melbourne, F.W. Cheshire, 154pp.

This general description and discussion of the Australian economy includes a short section on income distribution (pp.42-7). The author, (P.H. KARMEL for this chapter), begins by explaining that it is 'dangerous' to draw conclusions from taxation statistics 'both because of tax evasion and because there are various practices as a result of which nominal incomes understate effective incomes (e.g. expense accounts, provisions of cars and housing to executives, concessions to farmers, schemes for converting income into capital gains, etc.). These practices appear to have grown in recent years and naturally are more common and more effective in the higher income groups. Moreover no great meaning can be attached to the size distribution of income, unless incomes are reckoned **minus** taxation of all kinds and **plus** cash social service benefits and other beneficial government expenditure. Unfortunately no definitive work on these problems has been done in Australia.' The chapter, however, does present some data on the structure of incomes and comments on the effect of organised labour on the distribution of wages income.

Another chapter (by M. BRUNT) has a section (pp.54-65) on the concentration of economic power, which presents data about the distribution of assets to firms and shareholders.

METHODOLOGY, DEGREES OF INEQUALITY, WEALTH.

202 KEENS, Carol and CASS, Bettina (1982), **Fiscal Welfare: Some Aspects of Australian Tax Policy. Class and Gender Considerations,** SWRC Reports and Proceedings No. 24, Kensington, Social Welfare Research Centre, University of New South Wales, 55pp.

This publication examines certain aspects of fiscal welfare which are concerned with the allowances and benefits transferred through the taxation system; the description of the system and its redistributive effects is illustrated with extensive data. The definition of income used for inclusion in the tax base is discussed: some major sources of income of the relatively wealthy are exempt while most of the money income of those who are relatively low paid and have little wealth and asset holding is included. Data are presented on the proportion of tax raised from rents, dividends, interest etc. and from wages and salaries. The system of concessional rebates favours taxpayers with higher incomes who can afford higher expenditure, while the non-indexation of the tax-free threshold and of family allowances has affected families at the lower end of the income distribution, drawing families with children on poverty level incomes inside the tax system. The paper also examines the role of tax benefits and cash transfers and finds a bias against low income families and against women taxpayers with children.

FACTORS AFFECTING DISTRIBUTION: Asset income, employment, gender, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

203 KEMENY, Jim (1977), 'A political sociology of home ownership in Australia', **Australian and New Zealand Journal of Sociology,** 13(1), February, 47-52.

The article discusses the ideology of home-ownership and its political and social consequences. It is argued that 'home-ownership in Australia acts as something of a substitute for low old-age pensions, and in so doing fulfils welfare functions (albeit highly iniquitously) which governments might otherwise have had to fulfil more adequately.'

FACTORS AFFECTING DISTRIBUTION: Housing.

204 KENDIG, Hal (1979), **New Life for Old Suburbs,** Sydney, George Allen and Unwin, 192pp.

This book, prepared within the Urban Research Unit, is sub-titled 'Post-war land use and housing in the Australian inner city'. The inner suburbs 'have traditionally catered for the poor, especially during times of depression, and they have served as the main reception area for the immigration that has created the nation'. Chapter 4 examines the life-styles of the residents and compares those of low-income and high-income earners.

GEOGRAPHICAL DIFFERENCES.

205 KING, Anthony (1986), 'An estimate of the extent of poverty in Australia in 1985-86 using microanalytic simulation methods', in **Income Support Seminar,** Standing Committee of Social Welfare Administrators, Council of Social Welfare Ministers, Australia, Papua New Guinea, New Zealand, 127-38.

'The purpose of this paper is to outline a program of research on income distribution being undertaken at the National Institute of Economic and Industry Research and to present some preliminary results from this research - an estimate of the extent of poverty in Australia in 1985-86.' 'The broad objective of the current income distribution work at the Institute is to develop a capacity to predict changes in income distribution to complement the Institute's established short-term macroeconomic modelling. Such an enhancement of the Institute's analytical tools will allow specification of the likely effects of, say, a federal budget not only in terms of macroeconomic aggregates but also in detailed terms of who the "winners" and "losers" will be. Similarly it will be possible to simulate policy alternatives, be they in the tax-transfer or macroeconomic field or both, and specify in detail the distributional implications of different options.'

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Economic conditions, FACTORS AFFECTING REDISTRIBUTION; Taxation, welfare transfers.

206 KING, Anthony (1987), 'Analysing the distributional consequences of policy: the use of microanalytic simulation methods', **National Economic Review,** 6 February, 7-28.

With the release by the Australian Bureau of Statistics of 'unit record data' from some major surveys, the potential has increased for advances in analysis of income distribution in Australia, through the application of microanalytic simulation methods. The National Institute for Economic and Industry Research (NIEIR) is developing such techniques. 'Here, after outlining the basic methods of microanalytic simulation, two examples of early applications by NIEIR of the techniques are described. The first example concerns the comparison of options for tax reform considered at the 1985 Tax Summit, while the second further develops the techniques in order to estimate the extent of poverty in Australia in 1985-86. These are followed by a discussion of the potential of microanalytic simulation and an outline of the NIEIR research program in this area.'

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

207 KMENTA, J. (1963), 'Inter-industry wage differentials in Australia, 1947-1954', **Australian Economic Papers,** 2(1), June, 85-106.

'The purpose of this paper is: (i) to examine the changes in the relative earnings of unskilled workers in the Australian manufacturing sector during the post-war period; and (ii) to test the significance of a number of factors which may have accounted for the observed changes.' The results of the study indicate 'that the percentage differentials have become somewhat narrower while the absolute dispersion of wages increased' over the period 1947-1954.

CHANGES OVER TIME, WAGES.

208 KNIBBS, G.H. (Commonwealth Statistician) (1918), **The Private Wealth of Australia and its Growth,** as Ascertained by Various Methods, together with **A Report of the War Census of 1915,** Melbourne, Commonwealth Bureau of Census and Statistics, 196pp.

'As indicated by the title,the matter contained herein relates mainly to the private wealth of Australia, and an examination of the various methods adopted here and elsewhere for the purpose of estimating the wealth of a community. It includes also a brief report of the results of the War Census in respect of (a) males of military age, (b) net private income of the people (c) net private assets of the people.'

'The three principal methods of estimating the wealth of a community, viz., (i) by means of a wealth-census, (ii) by the use of probate-returns, (iii) by the inventory-method based on miscellaneous statistical and other records, are considered in some detail, and the advantages and disadvantages of each are discussed.'

The income distribution shown in the tables indicate 'that in the case of male residents 25 per cent of the returns accounted for 55 per cent of the net income, that in the case of female residents $4^{1/2}$ per cent of the returns accounted for $35^{1/2}$ per cent of the net income, and that, for the sexes together, $17^{1/2}$ per cent of the returns accounted for about 52 per cent of the net income'. In the case of net assets, 'for the sexes combined, somewhat less than $17^{1/2}$ per cent of the returns accounted for somewhat less than $87^{1/2}$ per cent of the net assets'. The relationship of income to assets is examined and a comparison is made with similar data available from Prussia.

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, WEALTH.

209 KNIBBS, G.H. (1920), 'The private wealth of Australia: its growth and distribution' in ATKINSON, Meredith (ed.), **Australia: Economic and Political Studies,** Melbourne, Macmillan, 473-518.

The chapter begins by defining the nature of national wealth, describes the methods of estimating its value and the uncertainty involved. It discusses the sense in which wealth is attributable to individuals, wealth under private ownership, wealth under communal ownership, wealth under national ownership, variation in valuation cases and the fluctuation of wealth. Various methods of estimating wealth are described: a census of wealth, probate returns, the 'devolution interval' and the 'devolution rate'.

The second part of the chapter is concerned with the 1915 Census of Wealth and Income and includes a number of tables presenting data on income and on assets derived from the Census. One set of tables correlates income and assets for males, females and persons. The final section presents an estimation of private wealth in Australia and of the growth of wealth from 1878 to 1915, compared with the growth in population.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Asset income, WEALTH.

210 KRIESLER, Peter (1990), 'Introduction. A guided tour through income distribution theory', in **Income Distribution Seminar,** Papers and proceedings of a seminar arranged by the Economic and Social Policy Group, 1989, 1-11.

This paper presents a brief overview of the way economists treat 'questions relating to the problem of how the distribution of income is determined, and the relationship between the distribution of income and macroeconomic variables'. It discusses the difference between personal and functional distribution, but concentrates on functional distribution, and its influence on economic activity.

FACTORS AFFECTING DISTRIBUTION: Economic conditions.

211 LAING, N.F. (1980), 'On a neo-classical analysis of the Keynesian income distribution theory', **Economic Record,** 56(152), March, 82-6.

'The Keynesian element of Kaldor's distribution theory was that "investment is determined independently of current savings". It is argued here that this proposition is true of neo-classical economic analysis which takes any account of expectations.'

METHODOLOGY, WEALTH.

212 LEEDS, Marilyn (1984), 'Dependent wives defined', **Australian Journal on Ageing,** 3(4), November, 17-25.

'Generally, there are three main income sources for women before old age: earnings from labour force participation; income support obtained from the state, such as Social Security pensions; and provision of money by husbands (or in some cases, there is maintenance in kind only with no money transferred to wives). Women whose income sources are their husbands are generally termed "dependent wives". Usually they are not in paid employment or, if employed, earn very little. Dependent wives therefore have nil or very low incomes. However, the majority of these women work but the value of their work is largely unrecognised and thus unpaid. The attention of this paper is focused on dependent wives who because they receive no remuneration for their labour place themselves in a precarious financial position in old age.' Tables present data on women's labour force participation, income ranges, on aged income units principal source and mean amount of income and the percentage of income derived from government cash benefits and mean amount of income by type of income unit.

The paper describes the Australian retirement income system and its effect on dependent wives. It also canvasses some solutions available for dependent wives' income in old age. These include the introduction of a national superannuation scheme, regarding the financial resources of a couple as joint property, and contributions to be paid by the major beneficiaries of their unpaid work, who would include husbands' employers.

FACTORS AFFECTING DISTRIBUTION: Employment, gender, within household allocation, RETIREES, WOMEN.

213 LYDALL, H.F. (1965), 'The dispersion of employment incomes in Australia', **Economic Record,** 41(96), 540-69.

There is a gap in Australian income statistics in comparison with those available for other countries, in that there is no information about the aggregate income of households or families. This paper uses tax statistics relating to wage and salary incomes of males and females to compare the dispersion of employment incomes in Australia and in a number of other countries for which reasonably comparable statistics can be obtained. In addition, the Australian statistics are used to study changes in the dispersion of employment incomes in Australia over the period 1952-53 to 1960-61.

'The first main finding is that pre-tax (and probably post-tax) employment incomes are more equally distributed in Australia than in certain other advanced countries, especially those of Western Europe and North America.'

Exceptions are identified. 'The second major finding is that, between 1952-53 and 1960-61, the dispersion of employment incomes in Australia slowly increased, more rapidly in some years than in others but to some extent throughout the period. During this period the dispersion of female incomes grew more than the dispersion of male incomes. The third finding is that increases in the dispersion of employment incomes have been associated with margin awards and earnings drift. Finally, the statistics show - somewhat unexpectedly - that the distribution of post-tax employment incomes has moved very similarly to that of pre-tax incomes.'

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION; Employment, gender, FACTORS AFFECTING REDISTRIBUTION: Taxation, WAGES.

214 LYDALL, Harold (1968), **The Structure of Earnings**, Oxford, Clarendon Press, 394pp.

The problem of distribution, the main concern of this book, 'is to discover what causes determine the share of total output taken by the various members of society - men, women and children'. The author discusses the distribution as between wages, rent and profit (landlords, labourers and capitalists). 'Much of the discussion of the problem of distribution is still carried on in these terms, despite the fact that it is well known that many landowners are poor, many employees earn more than some capitalists, many property-owners work and many workers own property.' It is therefore necessary to study the distribution **within** these factor shares as well as **between** factors, particularly the distribution of earnings of employees. The book reviews theories of income distribution, describes the shape of the distribution of income from employment, showing that it depends on the way in which income is defined and on the types of employees covered by the distribution. The author defines the 'standard' distribution selected for discussion in this book: 'the distribution of full-time male adult employees, in all occupations and in all industries except farming, classified according to their pre-tax money wage or salary earnings', which is comparable between countries and over time. A theory to explain the wide distribution of earnings is developed: 'the position within a given generation, in all countries, is that a child's career and its life earnings, are largely determined by the class into which it is born'. International comparisons are made, changes in dispersion over time for a number of countries are described and some explanations for the differences are found.

Australian income data show a probable 'fall in dispersion of earnings during the First World War, some increase in 1931, and a decline, followed by a recovery, between 1948 and 1963'.

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Class, education, inheritance, asset income, WAGES.

215 LYDALL, Harold (1976) 'The economics of inequality', **Australian Bulletin of Labour** 2(3), 29-52; reprinted from **Lloyds Bank Review**, (1975), 117, July (with some additional Australian data).

'The principal purpose of this article is to discuss the causes of economic inequality...' The author begins by defining 'income' and then discusses the choice of incomes for comparison. Separate sections discuss the differences in the distribution of income between countries, the particular case of distribution in Britain, and the distribution of income from employment. There is also discussion about the reasons for wealth inequality. The paper discusses the possibility of finding a theory to explain both the characteristic shape of the distribution of earnings found for employees in all countries, as well as the variations in that shape in different countries and at different times. It discusses the effects of chance, of education and 'productive capacity' and the factors affecting it. Finally the author [illegible] sses inequality and issues of social policy.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Education, WAGES, WEALTH, JUSTICE.

216 MAAS, Frank (1988), 'Youth incomes analysed', **Family Matters,** 21, August, 19-21.

Examination of data from the Australian Longitudinal Survey and the ABS (1981-82) Income and Housing Survey, shows 'that incomes received by young people are generally quite low. Notwithstanding the large proportions of young people that are studying or unemployed, the levels of income received by those with jobs is still extremely low.' Forty per cent of full-time, full-year young workers receive below poverty line earnings and over 90 per cent are within the bottom quartile of income recipients. The article also looks at young people's living arrangements to determine the degree to which they can alleviate (or exacerbate) the effects of low income.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, within household allocation, YOUTH.

217 MADDOCK, R. et al. (1984), **The Distribution of Income and Wealth in Australia 1914-80: An Introduction and Bibliography,** Source Papers in Economic History No. 1, Canberra, Australian National University, 74pp. Other authors: N. OLEKALNS, J.RYAN and M. VICKERS.

'This paper is designed to provide an introductory guide to research and statistics on income and wealth distribution in Australia. It is intended as a guide to further reading for those approaching the subject for the first time and as a review of the Australian materials.' The first section 'provides an introduction to some of the theoretical and ethical issues surrounding the measurement of inequality' and considers the link between measures of inequality and notions of justice. Section two deals with the distribution of income in Australia, discussing both those studies which are based on an analysis of the distribution of earnings and whose findings show 'an unrealistically egalitarian picture of income distribution', and those studies which bring together the evidence derived from taxation statistics and surveys. Section three covers what is known about the distribution of wealth and section four provides a guide to the sources used as well as referring to other secondary sources. A further section deals with poverty and the final section is a list of references on redistributive policy.

The authors discuss other elements of justice involved in studies of inequality, including the idea of 'an optimal level of inequality' and aspects of investment and consumption. 'Should we be concerned with the inequalities of income or with the inequality of consumption? Consumption measures the use people make of the society's resources, investment measures the additions they make to them. Despite these doubts there is an academic tradition of focussing on income and/or wealth and this study fits firmly in that tradition.

Each section of the paper includes a list of references, with critical comments in some cases.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Employment, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH, WAGES, JUSTICE, BIBLIOGRAPHIES.

218 MANNING, Ian (1973), **Municipal Finance and Income Distribution in Sydney,** Urban Research Unit, Research School of Social Sciences, Canberra, Australian National University, 99pp.

'The purpose of this monograph is to review the state of local government finances in one Australian metropolitan area, Sydney; to summarise recent discussions as to possible financial changes, and to add a mite to the debate.' The author argues that 'insufficient attention has been paid to the effect of present policies and of proposed changes on the inequality of real incomes received by residents of the metropolitan area'. He also argues that 'little has been said about ... the distribution of the net benefit from local services between the relatively rich and the relatively poor', and that changes which have been suggested 'tend to worsen inequalities of income and wealth rather than reduce them'. He makes a number of recommendations and concludes that 'a substantial part of the regressiveness of present local financial arrangements is caused by the differences in financial resources between local government areas.'

GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation.

219 MANNING, Ian (1981), 'The 1970s: a decade of social security policy', **Australian Economic Review**, 53, 1st Quarter, 13-19.

The article examines expenditures on social security transfers during the 1970s, demonstrating a doubling of redistributive payments which 'provides an obvious target for expenditure conscious governments concerned to return to the old days of small federal budgets'. The article describes four kinds of social security payment, and presents data showing changes in the number of recipients and the changes in rates of payment. The author discusses the reasons for the changes and concludes that 'social security provisions can only be fully assessed when considered jointly with the tax system which finances them, and particularly in relation to the income tax which has so much in common with the income test operated by the social security authorities'.

FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

220 MANNING, Ian (1983), 'The distribution of wealth in Australia', **Current Affairs Bulletin**, 59(11), April, 3-11.

The assessment of wealth in Australia 'fell into neglect partly because the new statistics of national income revealed that incomes from assets did not contribute much to total income'; many such incomes came from home ownership and self-employment. Economists concentrated on income rather than wealth as the major measure. More recently attempts have been made to calculate capital gains made on various assets. The article discusses inheritance and saving as sources of wealth accumulation and in particular the role of home ownership in the accumulation of savings. The author then analyses the data available from 'somewhat paltry sources'. The major conclusions reached are that 'the pattern of asset ownership is as we would expect given the income distribution and the inheritance laws. Older people own more, and within any age group higher income people own more.' The most widespread and striking inequality is between house owners and tenants. The interaction of the tax system and inflation has had an effect on those with modest savings. Reform of the tax system is recommended.

FACTORS AFFECTING DISTRIBUTION: Housing, inheritance, asset income, WEALTH.

221 MANNING, Ian (1985), **Incomes and Policy**, Sydney, George Allen and Unwin, 192pp.

'The need for placing the evaluation of the income distribution in the context of incomes policy became apparent as the macroeconomic debate in Australia progressed to the point where self-conscious incomes policies became a real possibility for Australia. Because the proponents of such policies were not, by and large, specialists in questions affecting the distribution of incomes, there was a serious likelihood that the policies would be poorly designed, due to lack of familiarity with the income distribution and lack of respect for the canons of justice which apply to it.' 'This book makes the case that the complexities of arguments about incomes cannot be smothered in a simple agreement to stop the wage/price spiral; much else must be considered as well.' It argues the 'inescapability of policy on incomes', discusses the 'fairness of income inequality' and describes the 'naive incomes policies' of some political parties. The second part looks at the 'national income' and at 'household disposable incomes', while the third part is concerned with individual incomes, labour force participation, earnings and payments for skill.

'Given that earnings are unequal, and would still be so even were justice in exchange and equality of opportunity to be observed in the labour market, other means have to be employed to bring about some balance between justice in exchange and justice in distribution.' These concepts are discussed. The fourth part of the book discusses possible changes: sharing between individuals in families; asset incomes which can help families to transfer incomes from good times to bad (with some reference to the role of inherited wealth); redistribution through the tax and social security system, 'the most powerful means we have of bringing about compromise between the principles of justice in distribution and justice in exchange'.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Asset income, within household allocation, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

222 MANNING, Ian (1989), **God and Goods: Some Christian Thoughts on Economic Inequality in Australia,** Melbourne, The Victorian Council of Christian Education, 80pp.; an earlier version appeared in 1982.

This publication includes discussion on different kinds of inequality, in assets, income from assets, earnings, family incomes, services and geographic inequality. Work, unemployment, social security and inequality between nations are also discussed. The emphasis of the argument is on the need to re-evaluate social priorities.

JUSTICE.

223 MARKS, Gary N., WESTERN, John S. and WESTERN, Mark C. (1989), 'Class and income in Australia', **Australian and New Zealand Journal of Sociology,** 25(3), November, 410-27.

'This article presents the findings from an analysis of the relationship between class location and income. The class schemas employed in these analyses derive from the work of Wright, Poulantzas, Carchedi, Barbara and John Ehrenreich and Goldthorpe. In the context of the Australian workforce, individual class location is found to be significantly related to income level. A properly specified causal model incorporating class and other relevant factors can explain between approximately 33 and 37 per cent of the variation of income among Australians in the workforce.'

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Class, education, gender.

224 MATHEWS, R.L. (chairman) (1975), **Inflation and Taxation: Report of Committee of Inquiry into Inflation and Taxation,** Parliamentary Paper No. 78, Canberra, AGPS, 747pp.

The Committee of Inquiry whose recommendations are reported in this volume, was appointed in 1974 to examine the effects of rapid inflation on taxation paid by persons and by companies. The Committee found, in relation to the first of these concerns, that the interaction between inflation and an unchanged personal income tax rate schedule generates a redistribution of the tax burden. 'The principal effects of inflation on the distribution of the tax burden are: (a) it results in a different distribution from that which is intended or was legislated, and (b) the low income, large family taxpayer categories are likely to be the groups most adversely affected.' Various taxation measures are recommended, designed to maintain equity.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, FACTORS AFFECTING REDISTRIBUTION: Taxation.

225 MAXWELL, Philip and HALE, Robert (1988), **Regional Income Inequality in Australia - What Does the 1986 Census Tell Us?** Working Paper 2-88, Curtin Business School, Western Australia, 27pp.

'The publication of small area income data from Australia's most recent national Census provides a new opportunity to analyse State and sub-state regional income differences. Using a 57 region classification, this paper reports estimates of mean and Gini coefficients for family incomes. Using the Kuznets' 'inverted-U' hypothesis as a starting point, an OLS regression model is then estimated in order to examine the extent to which a region's stage of development, as well as its industrial and social structure, explain income inequality differences.'

METHODOLOGY, DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES.

226 MCFARLANE, Bruce (1968), **Economic Policy in Australia, The Case for Reform,** Melbourne, F.W. Cheshire, 243pp.

The distribution of income in Australia is discussed in one section of this book (pp.201-210), in the context of socialist thought and 'notions of egalitarianism'. There is discussion about the sources of data and their shortcomings. Data is presented on the income of 'adult' male incomes in 1956-57 and 1964-65 showing that Australia is not 'a country with a huge proletariat at near subsistence level and supporting a parasitic few' but nor is it 'a country in which extremes of wealth have been eliminated'. The role of taxation, and government policy on taxation , in reaching a more equitable distribution of property and income is discussed.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

227 MCINTYRE, Michael J. (1988), 'Implications of U.S. tax reform for distributive justice', **Australian Tax Forum,** 5(2), 219-56.

The article is concerned with changes in U.S. taxation and their effects. It includes a discussion of what is a 'redistributive tax policy'. 'No one should favour or oppose redistribution without reference to what would be redistributed.' The author discusses issues related to the direction of redistribution, the costs of redistribution, and the choice of 'sorting rules'.

FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

228 MCLEAN, Ian (1987) 'Economic wellbeing', in Rodney MADDOCK and Ian W. MCLEAN (eds), **The Australian Economy in the Long Run,** Cambridge University Press, 319-43.

The book in which this chapter appears 'provides an overview of the evolution of the Australian economy since federation'. 'It is the purpose of this chapter to assess how far the economic activity and associated economic policies that have been discussed in earlier chapters have resulted in improvements in the economic wellbeing of Australians.' Two dimensions of wellbeing are given special significance: the average standard of living and the degree of economic inequality. In considering economic inequality, the author reviews some studies of income and wealth distribution. He concludes that 'Australians on average are better clothed, housed, fed, and educated now than at the time of federation. They also live longer, work less, travel more, and enjoy more leisure.' 'The incidence of these improvements has not been identical for men and women; the poorest groups in society (apart from the Aborigines, until very recently) may have gained relative to the middle class; and the position of the highest-income and wealth-owning groups has also deteriorated relative to that of the rest of the community.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Economic conditions, gender.

229 MCLEAN, Ian W. and PINCUS, Jonathan J. (1982), **Living Standards in Australia 1890-1940: Evidence and Conjectures,** Working Paper in Economic History No. 6, Canberra, Australian National University, 31pp.; a paper based on the same data appears (1983), 'Did Australian living standards stagnate between 1890 and 1940?', **Journal of Economic History,** 43(1), March 193-202, with discussion by R.M. HARTWELL and James I. NAKAMURA, 203-8.

'Among the developed countries, Australia in this period experienced the fastest growth in population but the slowest in per capita income.' Nevertheless the authors estimate 'that living standards may have doubled over the half century'. However, estimating living standards 'by per capita product does not imply that the resultant "average" is representative. The empirical question is whether this period of stagnant measured per capita product was also a period of unchanging income (or wealth) distribution'. The paper reviews available studies and conclude that the 'limited rise in **average** per capita income between 1890 and 1940 may thus understate the rise in the **median** income', that is, there is evidence of some increase in equality of income and wealth distribution.

DEGREES OF INEQUALITY, CHANGES OVER TIME.

230 MCLEAN, Ian and RICHARDSON, Sue (1986), 'More or less equal? Australian income distribution in 1933 and 1980', **Economic Record,** 62(176), March, 67-81.

The paper utilises information in the 1933 Census to estimate several measures of individual and household income inequality for that year. Allowance is made for the effect of the Depression on the 1933 income distribution. The trends in income inequality between the census of 1915, 1933 and 1981 are investigated. The distribution of male incomes in 1933 appears to have been more unequal than at either of the other dates. The decline in inequality has resulted from a reduction in the shares of the top income class and increase in that of the lowest. Expunging the depression effects results in a distribution which remains less equal than the equivalent distribution for males in 1981. Converting individual income to a household basis shows that inequality has decreased by a substantial amount in each income group over the interval 1933 to 1979, and for the aggregate distribution of household per capita incomes. The gains have been made by those groups who had relatively low per capita incomes in 1933, female-headed and large households.

DEGREES OF INEQUALITY, CHANGES OVER TIME.

231 MCNEILL, Kate, JACKSON, Sue and MORRIGAN, Pat (1986), 'A new phase for equal pay', **Australian Society,** 5(1), January, 22-6.

'In 1919, women earned 54 per cent of the male wage rate. In 1984, women's average earnings were only 66.7 per cent of the comparable male rate.' Equal pay is no more a reality than it ever has been. The article discusses the concept of 'comparable worth' which 'challenges the sexual division of labour which lies at the heart of women's social, political and economic subordination'. The authors argue that 'equal pay is fundamental to the redistribution of income which is required to achieve economic justice for women'.

FACTORS AFFECTING DISTRIBUTION: Gender, WAGES, WOMEN, JUSTICE.

232 MEAGHER, G.A. and AGRAWAL, Nisha (1986), 'Taxation reform and income distribution in Australia', **Australian Economic Review,** 75, 3rd Quarter, Spring, 33-56.

'This article contains an analysis of the effects of changes in the existing tax mix on the distribution of income in Australia. Shifts from direct to indirect taxes, similar to "Option C" in the Government's **Draft White Paper on Tax Reform,** are considered. The general equilibrium effects of the policy changes are analysed using an extended version of the ORANI model of the Australian economy. The Shorrocks 1_0 index is then used to identify the sources of inequality in the pre- and post-change distributions. The results are based on data from the ABS **Income and Housing Survey** for 1981-82.' The authors conclude that the reform involved in the change in the tax mix suggested in 'Option C' 'is not likely to substantially alter the magnitude or relative importance of the identified sources of inequality'.

Comments on the paper are made by Patricia APPS in the same journal (pp.57-9). They focus on the need for the adoption of an appropriate income measure for use in general equilibrium models and make a second point related to the distributional effects of the tax reform, some of which are not identified in the paper.

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

233 MEAGHER, G.A. and DIXON, Peter B. (1986), 'Analyzing income distribution in Australia', **Economic Record,** 62(179), December, 427-41; also published as IAESR Working Paper No.11/1985, Institute of Applied Economic and Social Research, 30pp.

'This paper contains an analysis of the sources of income inequality in Australia, based on data from the ABS **Income Distribution Survey** for 1978-79. The analysis proceeds by progressive decomposition of the population into component groups differentiated by characteristics such as sex, age, employment status and occupation. At each stage of the decomposition, total inequality is partitioned into contributions from within and between the component groups, as measured by the Shorrocks 1_0 index. The importance of the characteristic in question as a source of inequality can then be assessed. While the results of the analysis are described in some detail, the emphasis of the paper is primarily methodological.'

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Age, employment, gender.

234 MEAGHER, G.A. and PARMENTER, B.R. (1985), **Some Short Run Effects of Shifts from Direct to Indirect Taxation,** IAESR Working Paper No. 10/1985, Institute of Applied Economic and Social Research, 63pp.

'The effects of changes in the tax mix on the macroeconomy and on the distribution of income depend on the details of how the changes affect the purchasers' prices of commodities, prices received by domestic producers and the costs of primary inputs, especially labour. The crucial price effects, and their consequences, are best projected with a fully specified economic model.' This paper uses such a model, described in the paper, to estimate the macroeconomic effects of a switch from direct to indirect taxes under three sets of assumptions.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

235 MERRILEES, W.J. (ed.) (1986), **Professional Incomes,** Monograph Series No. 13, Bureau of Labour Market Research, Canberra, AGPS, 166pp.

Professionals earn income which is a composite of 'labour income' and 'entrepreneurial income' when they set up in private practice. Part 1 of this volume places professionals in the broader context of the self-employed, part 2 is concerned with specific professions and the final section discusses the implications for prices and incomes policy. The chapters are as follows:

Conceptual issues in the measurement of self-employed incomes	Owen COVICK
Self-employment in Australia	K. NORRIS
Aggregate trends in self-employment incomes	Owen COVICK (q.v.)
The measurement and determinants of medical incomes in Australia	J. RICHARDSON
Pharmacists' incomes	T.J. LEE and R.S. LATTIMORE
Consulting engineers	W.J. MERRILEES
Self-employed incomes and policy: the British experience	K. NORRIS
The control of medical incomes	J. RICHARDSON

Overall implications for the place of professional incomes in prices and incomes policy — A. FELS

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Education, employment, PROFESSIONAL GROUPS, SELF-EMPLOYED.

236 MILLER, P.W. (1981), **The Rate of Return to Education - The Evidence from the 1976 Census,** Discussion Paper No. 25, Centre for Economic Policy Research, Canberra, Australian National University, 40pp.

'What is the private rate of return to education in Australia? And how does this rate differ between males and females, and between Australian born and overseas born residents? This study attempts to answer these questions using data from the 1976 **Australian Census of Population and Housing.** The rate of return to incremental years of schooling - calculated by applying the internal rate of return technique to annual earnings data - mostly varies between 6 and 10 percent, and the return to a three years university degree is as high as 20 per cent. Returns for males generally exceed those for females, although the percentage point differences are small.'

Immigrants obtain a lower rate of return from additional years of schooling than do the Australian born, though overseas born males can expect a higher return for some types of tertiary education, and overseas born females tend to receive a higher return to each incremental level of education than Australian born females. The paper calculates results using hourly earnings as well as annual earnings and also adjusts the earnings data for the probability of unemployment and the probability of participating in the labour force.

FACTORS AFFECTING DISTRIBUTION: Education, gender, WAGES, IMMIGRANTS.

237 MILLER, Paul W. (1984), 'Education and the distribution of earned income', in Richard BLANDY and Owen COVICK (eds), **Understanding Labour Markets,** Sydney, George Allen and Unwin, 16-36.

'This paper addresses the human capital approach to income distribution.' In the first section aspects of the concept are briefly reviewed, with methods for evaluating an investment in education. Evidence based on the 1976 Census on the profitability of education for males and females and for the Australian and overseas born are presented in the second section. In the third section data from the income distribution surveys of 1968-69, 1973-74 and 1978-79 are used to examine characteristics of the income structure. Conclusions are drawn from the evidence which, the author argues, indicate that 'the main consequence of the voluntary human capital investment is that it places individuals in the lower end of the income distribution during the investment period, and also results in their rising up the income hierarchy at a later data as the returns to their investment accrue.'

FACTORS AFFECTING DISTRIBUTION: Education, WAGES.

238 MITCHELL, Daniel J.B. (1984), 'The Australian Labor market' in Richard E. CAVES and Lawrence B. KRAUSE (eds), **The Australian Economy: A View from the North,** Sydney, George Allen and Unwin, 127-94; a version was published as Discussion Papers No. B1 and B2 (1984 and 1985), Papers arising from the Brookings Survey of the Australian Economy, Canberra, Centre for Economic Policy Research, Australian National University, 100pp. and 66pp.

In his general discussion of the Australian labour market the author examines the general belief that 'Australian award decisions tend to compress the wage structure because the system attempts to be equitable, thereby protecting the weak at the bottom of the wage ladder.' He finds that 'it appears that the arbitration system succeeds in compressing the wage distribution, even in the face of over award pay.'

WAGES.

239 MOORE, Jim and WHITEFORD, Peter (1986), **Trends in the Disposable Income of Australian Families, 1964-65 to 1985-86,** Background/Discussion Paper No. 11, Canberra, Social Security Review, 103pp.; also, Research Paper No.31, Policy Review and Co-ordination Branch, Department of Social Security.

The paper is a resource document for that part of the Social Security Review which was concerned with the adequacy and appropriateness of the present structure of assistance for families. It presents information on social security payments and taxation and the impact of these two on the disposable incomes of various family types, from the period 1964-65 to 1985-86 as well as noting scheduled changes for 1986-87 and 1987-88. In the most general terms the analysis undertaken here indicates significant percentage increases in the real disposable incomes of all groups studied, though the increases were not uniform. Low income families received an increase, in percentage terms, somewhat more than did the disposable incomes of high income families. 'The actual dollar increases, on the other hand, were considerably greater for higher income families.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

240 MOSS, S.J. (1978), 'The post-Keynesian theory of income distribution in the corporate economy', **Australian Economic Papers,** 17(31), December, 303-22.

The article is a discussion of post-Keynesian theory of income distribution, showing the relationships between a variety of models developed by other economists.

METHODOLOGY.

241 MULVEY, Charles (1983), 'Arbitration, collective bargaining and the wage structure: a review of some empirical evidence', **Growth 33, Wage Determination and the Market,** September, 53-65.

The article is a 'study of the empirical evidence on the extent of differences between the Australian wage structure and the wage structure of countries where collective bargaining is the predominant mode of wage determination'. Of the studies reviewed only one (HUGHES, 1973, q.v.) supports the hypothesis that the influence of arbitration on the Australian wage structure is relatively egalitarian. The others find a fairly high degree of similarity between the Australian and overseas wage structures. The author canvasses the reasons for the similarities and differences.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, WAGES.

242 MULVEY, Charles (1986), 'Wage levels: do unions make a difference?', in John NILAND (ed.), **Wage Fixation in Australia,** Sydney, Allen and Unwin, 202-16.

'People usually join trade unions in the expectation that they will obtain certain benefits. One such benefit which would normally be expected is a higher wage. In Australia, however, the fact that award wages apply to union and non-union workers alike makes it difficult for unions to secure a wage for their members higher than that of non-members. Using new Australian data the first estimates are made of the union/non-union wage differential. The estimated differential for males is 9.6 per cent and for females 7.4 per cent. It is hypothesized that these differentials result from over-award pay accruing predominantly to union rather than non-union workers.'

WAGES.

243 MURRAY, David (1978), 'Sources of income inequality in Australia, 1968-69', **Economic Record,** 54(146), 159-69.

'There are wide divergences in the mean incomes of males and females in Australia. In addition income is related to age, education and work force participation. This paper uses decompositions of Theil and Gini income-inequality coefficients to examine the extent to which inequality of earned income may be explained by these various factors. It is suggested that education and age, singly and jointly, explain a major part of inequality. Having allowed for these factors, sex appears to have a limited residual importance.'

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, gender.

244 MURRAY, David (1979), 'Changes in income inequality: Australia, 1968-69 to 1973-74', **Review of Income and Wealth,** Series 25(3), September, 309-225.

'The period 1968-69 to 1973-74 saw a redistribution of incomes in Australia. This is evidenced first by declining differentials between dissimilar persons and secondly by changes in two measures of income inequality, the Gini and Theil coefficients. The inequality coefficients are decomposed into components which distinguish between that part of total inequality due to income differences between dissimilar persons and that part due to inequality between similar persons. It is found that the reduction in inequality was due to the reduction in differentials between dissimilar persons and that inequality between similar persons probably did not change over the period.' The three variables which are used to classify the population into 'similar' and 'dissimilar' are sex, age and educational achievement. The author concludes that there has not been a decline in 'unacceptable inequality in the Australian economy over the five year period examined'.

DEGREES OF INEQUALITY, CHANGES OVERTIME, FACTORS AFFECTING DISTRIBUTION: Age, education, gender.

245 MURRAY, David (1979), 'The changing incomes of the aged in Australia', **Australian Economic Papers,** 18(32), June, 81-8.

'In this paper an attempt is made to examine the changes in the pre-tax incomes of the aged in real terms and relative to the rest of the community. It is concluded that while the poorest of the aged have benefited from changes in the age pension there remains a significant portion of the aged population for whom increase in the consumer price index probably meant declining real incomes.'

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age.

246 MURRAY, David (1981) 'The inequality of household incomes in Australia', **Economic Record,** 57, March, 12-22.

'This paper presents income inequality statistics for Australia calculated from the published results of the two official income surveys of 1968-69 and 1973-74. These results suggest firstly that the level of household income inequality in Australia has been previously understated. Secondly, it is noted that there was little, if any, change in inequality over the period. However, when families are classified by number of income earners an unambiguous decline in inequality within these groups occurs. These observations are related to other changes in the economy.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment.

247 NEUTZE, Max (1971), 'Flats and houses - who rents and who owns', **Royal Australian Planning Institute Journal,** 9(3), July, 95-9.

An interview survey of families living in 735 dwellings in four areas in Sydney has investigated differences between families who rent privately, those who rent from the Housing Commission and those who own their dwelling. The paper presents data on family composition, economic status, migrant housing, journeys to work, the employment of women and housing costs. 'Housing Commission tenants are, on average, less affluent but there is not much difference between private tenants and owner occupants.'

FACTORS AFFECTING DISTRIBUTION: Housing.

248 NEUTZE, Max (1971), **People and Property in Bankstown,** Urban Research Unit, Research School of Social Sciences, Canberra, Australian National University, 111pp.

In this study of 'recent property developments and changes in the population of a middle-distance western suburb of Sydney', there is some data on family income. Employment, that is, the number of income earners in each family is an important factor in determining the size of family income. There was a higher level of prosperity in the area over the more recent years.

GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Employment.

249 NEUTZE, Max (1971), **People and Property in Randwick,** Urban Research Unit, Canberra, Research School of Social Sciences, Australian National University, 105pp.

This monograph is concerned with changes which have happened in the Randwick area since the war. It is based on Census data, on information from the Valuer-General's Department, and on a survey conducted in 1968, of a sample of households in the area. A question on income was included in the Survey. Various hypotheses relating to the impact of housing, employment, household size, age, birthplace etc. on family income are tested, using the responses to the Survey.

GEOGRAPHICAL DIFFERENCES.

250 NEUTZE, Max (1972), **People and Property in Liverpool,** Urban Research Unit, Research School of Social Sciences, Canberra, Australian National University, 109pp.

Differences between income distribution of people included in this study of the Liverpool area and those in other areas (see other studies by the same author, and by Ken JOHNSON, also cited in the bibliography) are noted. Possible causes for the lower family incomes are canvassed.

GEOGRAPHICAL DIFFERENCES.

251 NEUTZE, Max (1973), **People and Property in Redfern,** Urban Research Unit, Research School of Social Sciences, Canberra, Australian National University, 141pp.

'This monograph records the results of one part of the Urban Research Unit's first major research project which aims to increase understanding of the process of urban development.' Data sources are described. Among the tables included are two concerned with income and a number concerned with valuation of housing, and other information on houses as investments.

GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Housing.

252 NEVILE, J.W. (1990), 'The effects of macro-economic policy on the distribution of income', in **Income Distribution Seminar,** Papers and proceedings of a seminar arranged by the Economic and Social Policy Group, 1989, 12-20.

The paper argues that 'inflation does not have a large effect on income distribution. On the other hand increasing unemployment certainly does have a bad effect on income distribution making it more unequal'. It argues also that the cure for inflation is worse than the disease. The effect of inflation on wealth distribution is examined, showing 'little evidence that inflation has had major adverse effects on wealth distribution and it certainly has not affected the distribution of wealth enough to influence in turn the distribution of income'. Tables present income distribution by families 1968-69 to 1984, income distribution by income units for various years between 1978 and 1986, and by persons for full year full time workers in 1981-82 and 1985-86. These show the growth in inequality 'after a period which emphasised fighting inflation through tight monetary and fiscal policy'. The pattern of income distribution has not changed greatly under the Labor Government Accord, 'though among employed people, more highly paid persons have done better than the least highly paid'.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION; Economic conditions, employment.

253 NEVILE, J.W. and WARREN, N.A. (1984), 'How much do we know about wealth distribution in Australia', **Australian Economic Review,** 68, 4th Quarter, 23-33.

'This paper surveys what is known about wealth distribution in Australia and concludes that our knowledge is scanty. The most reliable evidence comes from studies using probate returns and with the abolition of estate duties, these studies are becoming out of date. However, it is clear that wealth is very unequally distributed. The top 5 per cent of adult individuals own between 40 and 50 per cent of the wealth. This inequality is not just due to life cycle effects, and there is no strong evidence that wealth distribution has become more equal in Australia in the period since the First World War.' The article presents some data on the distribution of financial assets by income, and the distribution of income derived from financial assets. Age is an important factor in examining this distribution.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, asset income, WEALTH.

254 NEVILE, J.W. and WARREN, N.A. (1984), 'Inflation and personal income distribution in Australia', **Australian Economic Review,** 1st Quarter, 65, 26-33.

'Inflation can affect income distribution two ways. First, because, as a general rule, the more rapid the rate of inflation the greater the variability in the size of change of individual prices. Inflation may cause changes in relative real incomes even when nominal incomes remain in the same proportions to each other. Australian experience in this regard in the 1970s and early 1980s is examined in Section II.' Section III examines changes in the general pattern of income distribution in Australia between 1968-69, 1973-74 and 1978-79 while Section IV looks at changes in the relative incomes of selected representative households both before and after tax.

'Inflation in Australia in the 1970s seems to have had little effect on income distribution.' A slight movement between 1973-74 and 1978-79, which made the lower 40 per cent of families relatively worse off, but without changing the Gini coefficients for income distribution over the whole population was probably due to increased unemployment. 'On the other hand, the interaction of inflation and the tax system definitely disadvantaged the better-off wage earner more than the poorer wage earners. The high degree of indexation in social security payments and the centralised nature of Australian wage fixing may be part of the explanation for the apparent lack of effect of inflation on before-tax income distribution. Nevertheless, the major conclusion of this article is that although poorer families may have been slightly disadvantaged relative to better-off families, generally speaking, inflation has had little effect on the before-tax income distribution and has tended, if anything, to make after-tax personal income distribution more equal, at least for PAYE taxpayers.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Economic conditions, FACTORS AFFECTING REDISTRIBUTION: Taxation.

255 NEVILL, C.J. (1982), The distribution of economic benefits from the resources boom, 52nd ANZAAS Congress, Paper No. 24/548, 12pp.

'The so-called "resources boom" will undoubtedly generate considerable wealth; however this wealth may be very unevenly distributed. Significant costs associated with the boom are likely to fall on those who reap little, if any, benefit. Mechanisms of distribution are discussed in relation to government policy. Two main arguments are put forward. Firstly, it is suggested that a more equitable distribution of benefits will result from a slow (rather than a rapid) rate of development. Secondly, it is argued that high immigration rates, if sustained on the strength of the resources boom, will prevent Australia achieving a strong sustainable economy in the long run.'

FACTORS AFFECTING DISTRIBUTION: Economic conditions.

256 NILAND, J.R. and ISAAC, J.E. (eds) (1967, 2nd ed. 1975), **Australian Labour Economics Readings,** Melbourne, Sun Books, 670pp.

It is shown that the industrial tribunals in Australia, although of central importance, do not completely determine wage levels. 'Rates of pay and earnings invariably shift beyond the levels formally set by the tribunals'. Material in the second section of the book 'examines various aspects of earnings drift, including the reasons for its emergence, its magnitude over time and its impact on wage structure. Also relevant to wage structure are differentials for various levels of skill and differentials evident on a geographic basis. Several chapters examine the size of these differentials, their causes and the policy implications involved. There is a growing awareness of women's wages issues, and considerable attention is also given, in the Introduction, to the history and implications of differentials based on sex.' The authors of chapters in this section are J.E. ISAACS, K.S. HANCOCK, N.F. DUFTY, A. FITZGIBBONS and Kathryn MOORE.

'The prime concern of wages policy is to distribute productivity gains in a manner that accords with community concepts of fairness and equity. When integrated with incomes policy, this usually involves holding wage and other income movements within the limits that will prevent cost inflation. Drawing upon the extensive treatment of wages-incomes policy in Australian labour market literature, the material in this section examines a wide range of the issues involved. These include: the productivity standards that can be used, and their effect on national income shares; the causes of inflation; the feasibility and desirability of implementing wages-incomes policy, particularly the relative roles of industrial relations versus more straightforward economic standards in wage determination'.

FACTORS AFFECTING DISTRIBUTION: Gender, WAGES, JUSTICE.

257 NORRIS, Keith (1977), 'The dispersion of earnings in Australia', **Economic Record,** 53, 475-89.

The purpose of this paper is to use survey material collected by the Commonwealth Statistician, to analyse the distribution of earnings in Australia. It describes the main features of the distribution, attempts to explain industrial differences in dispersion, looks at time trends in dispersion and compares the distribution of earnings in Australia and Britain. The main conclusions are that 'there are considerable inter-industry differences in the dispersion of earnings, differences which are partly explicable in terms of differences between earnings and award wages and in the variance of award wages. Similarly, in the period covered by surveys of earnings - 1960-1975 - there have been considerable short run fluctuations in the overall dispersion of earnings'. 'There was little change in the dispersion of earnings over the whole period 1960 to 1975 and thus it seems probable that little long run change has occurred in the dispersion of earnings this century in Australia. A long run trend is also absent in Britain where earnings are more widely dispersed than in Australia.'

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVERTIME, WAGES.

258 NORRIS, Keith (1980), 'Compulsory arbitration and the wage structure in Australia', **Journal of Industrial Relations,** 22(3), September, 249-63.

'Despite the growth of collective bargaining the Australian system of wage determination remains significantly different from that practised elsewhere. The purpose of this paper is to test the claim that compulsory arbitration brings about a more egalitarian wage structure than would obtain under free collective bargaining. The method used is to compare wage relativities in Australia and Britain on a number of different bases, and where possible at different times. The main conclusion is that wage structures are very similar in the two countries.' Four differences are identified. The author concludes, in general, 'that the evidence does not support the claim of egalitarianism made for compulsory arbitration'.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, WAGES.

259 NORRIS, Keith (1983, second edition 1989), **The Economics of Australian Labour Markets,** Melbourne, Longman Cheshire, 210pp.

Within this book which discusses many aspects of Australian labour markets, there is (pp.136-42) a section on the personal distribution of earnings. The data analysed are from ABS surveys, mostly those relating to adult male non-managerial workers. Figures show that the distribution (for 1980) is not normal, positively skewed, the upper part of the distribution being more elongated than the lower. The same distribution is shown to be 'lognormal' for approximately the bottom 90 per cent of workers, a result which is similar to that found in a range of societies over a period of time. An explanation is offered for this distribution.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, education, WAGES.

260 NORRIS, Keith (1985), 'Taxes, transfers, and the social wage in Australia 1975-84', **Australian Bulletin of Labour,** 11(4), September, 212-35.

'This paper reports estimates of the living standards of various household types over the period 1975-84.' It briefly summarises previous Australian work concerned with the effects of taxes, transfers and government expenditure upon real incomes and upon the distribution of incomes. The methodology of the present study is described, with a number of caveats. Sixteen different household groups were identified for the analysis. 'Over the period 1975-83 we found that, with two exceptions, all households experienced a modest rate of growth in living standards, ranging from 0.35 to 0.67 per cent per annum.' The exceptions are identified. There have been marked variations in living standards over the years studied and the author discusses the causes.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

261 NORRIS, Keith, (1986), 'The wages structure: does arbitration make any difference?', in John NILAND (ed.), **Wage Fixation in Australia,** Sydney, Allen and Unwin, 183-201.

'A traditional view of the Australian system of wage determination is that it leads to a more egalitarian wage structure than does free collective bargaining. In the last ten years several papers have cast doubt upon this proposition. The method used is simple: to compare the set of wage relativities in Australia with those abroad, normally in Britain and in the United States. Most comparisons have not shown any great differences and hence it has been argued that the egalitarian hypothesis is not proven. This chapter reviews the previous work and makes a few new comparisons, confining attention to the wage structure in Australia and Britain. The results are consistent. There is not a great difference overall between wage relativities in the two countries whatever the basis of comparison but virtually every difference identified is of the same sort: relativities are more compressed in Australia. This is confirmed by an examination of the spread of earnings between persons, which is smaller in

Australia, particularly for females. Thus the Australian wage structure seems rather more egalitarian than that in Britain.'

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISON, WAGES.

262 OFFICE OF EPAC (1987), **Aspects of the Social Wage: A Review of Social Expenditures and Redistribution,** EPAC Council Paper No. 27, ACT, Economic Planning Advisory Council, 58pp. Authors: Peter SAUNDERS, Jim COX, Anna CRONIN, Michael CUNNINGHAM, with assistance from Peter DEMPSTER and Graham KING.

After defining the 'social wage' the paper argues that 'a full examination of the individual components of the social wage and the way it is financed is required for a thorough assessment of the effects of the social wage on redistribution or productivity', and discusses those measures which cannot be incorporated. Spending on the social wage is tabulated and the trends in benefits per recipient examined. Changes in spending are discussed. The social wage items have a wide range of redistributive objectives, but differ in emphasis. The paper presents examples which demonstrate the importance of social wage items for different households. It is argued that many effects of the social wage are indirectly beneficial.

'The effects of any increases in the social wage on the distribution of living standards depend not only on the composition of the increase, but also on how they are financed.' 'A comparison of social wage benefits with personal income and indirect taxes paid by households provides an interesting, although not comprehensive, indicator of the net benefits received by households from government.'

Results of the analysis indicate that the largest net benefits from the social wage are received by households whose head is aged 65 years or more; social wage benefits increase with the number of children in the household though, on average, households with children pay more in taxes than they receive in social wage benefits, except those low income families with children, dependent on social security pensions and benefits; some social wage outlays are directed to high income families. Some criticisms of the social wage are noted. The role of the social wage in incomes policy is discussed. The case for targeting and for giving priority to the alleviation of poverty is examined.

CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, family, social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

263 OFFICE OF EPAC (1988), **Income Support Policies, Taxation and Incentives,** EPAC Council Paper No. 35, ACT, Economic Planning Advisory Council, 100pp. Authors: Jim COX, Terry DWYER, Anne PLYMPTON, with assistance from Peter DEMPSTER and John HOWE.

'The first half of the paper looks at the evidence on poverty and the role of social security (or similar) payments in preventing or alleviating poverty.' The second half discusses the nature of some adverse behavioural responses to taxes or social security payments which affect society's ability to achieve its distributional objectives.

FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

264 O'HIGGINS, Michael (1988), 'The allocation of public resources to children and the elderly in OECD countries', in John L. PALMER, Timothy SMEEDING and Barbara Boyle TORREY (eds), **The Vulnerable,** Washington D.C., The Urban Institute Press, 201-28.

'This chapter tracks the trends in government spending on the elderly and on children in ten economically developed countries (including Australia). It distinguishes spending in programs with different client groups and, to the extent possible, spending for beneficiaries of different ages.' Pensions are shown to have received priority over other social programs in each country. 'Countries vary in the generosity of their family benefits, but even in the most generous cases, family benefits are much less important to the well-being of children than are public expenditures on education.' Data is from the data base developed by the OECD since 1960, but most tables use 1980 data.

INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Age, social wage, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

265 O'LOUGHLIN, Mary Ann and CASS, Bettina (1984), 'Married women's employment status and family income distribution', Paper No 14/352, 47pp, delivered to ANZAAS Congress, Canberra; also in Rosemary HOOKE (ed.), **54th ANZAAS Congress: SWRC Papers,** SWRC Reports and Proceedings No. 47, Kensington, Social Welfare Research Centre, University of New South Wales, 147-93; a version appears as CASS, Bettina and O'LOUGHLIN, Mary Ann, 'Married women's income inequality', **Australian Quarterley,** 56(4), Summer, 325-51.

The paper tests 'the validity of the hypothesis that the increase in the labour force participation of married women and the movement towards the equalisation of women's earnings to men's have resulted or will result, in a more unequal distribution of family income.' The analysis of available Australian data shows that wives are more likely to work when their husbands incomes are low and that although there are high participation rates for the wives of relatively high income-earners, they are more likely to be in part-time employment. 'The increase in women's earnings relative to men's in 1968-69 to 1978-79, and the greater labour force attachment of the wives of low income earners have resulted in wives' earned income moving family income distribution towards greater equality than is shown by distribution of husbands' earned income.' The paper examines underlying assumptions related to income and economic status: the effects of measuring money income only, the extra expenditure involved in working, the nature of families as 'income units' and the stability of families, with implications for single parent families who are most likely to be disadvantaged.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, family, gender, WOMEN.

266 OXNAM, D.W. (1950), 'The relation of unskilled to skilled wage rates in Australia', **Economic Record,** 26, June, 112-18.

The article argues that the system of wage regulation as it operates in Australia 'has enabled the unions of skilled workers to maintain their positions in regard to relative margins for skill to an extent that has not been possible in most other socially advanced countries'.

WAGES.

267 PALMER, John L., SMEEDING, Timothy and TORREY, Barbara BOYLE (eds) (1988), **The Vulnerable,** Washington, D.C., the Urban Institute Press, 458.

The book focuses on the well-being of children and the elderly in America; some chapters use comparative data in their analysis, and reference is made to the Australian situation in some cases. The first chapter (by Palmer, Smeeding and Christopher Jencks) discusses the uses and limits of income comparisons. The chapters which present Australian data are:

Patterns of income and poverty: status of children and the elderly in eight countries	Timothy SMEEDING Barbara Boyle TORREY and Martin REIN (q.v.)
The allocation of public resources to children and the elderly in OECD countries	Michael O'HIGGINS (q.v.)
Social policy and children in the United States and Europe	Sheila KAMERMAN and Alfred J. KAHN

INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

268 PATERSON, John (1975), 'Home owning, home renting and income redistribution', **Australian Quarterly,** 47(4), December, 28-36.

The author argues that the private housing sector is a 'powerful force operating on the income distribution of the Australian community.' In the present economic structure, renters are economically disadvantaged. 'The existing fiscal system contains massive tax incentives and interest subsidies for owner-occupied housing. The largest single benefit accrues to owner-occupiers through freedom from taxation of net imputed rent.' The author explores the use of housing as a device for progressive redistribution of income.

FACTORS AFFECTING DISTRIBUTION: Housing, FACTORS AFFECTING REDISTRIBUTION: Taxation.

269 PETER, Matthew and MAXWELL, Philip (1985), **Regional Income Inequality in Australia: 1976-1981,** Occasional Paper No. 79, School of Management, Victoria, Deakin University, 20pp.

'This study presents estimates of income inequality at national, State and statistical division level from the last two Censuses.' One section discusses the nature of the income inequality. This is followed by a brief comparative discussion of the estimates. The fourth section considers 'the nature of relationship between income levels and inequality, and in the fifth the extent to which the sex composition of the population explains the level of income inequality between regions'. 'Income data from the 1976 and 1981 Australian Censuses provide new insights into patterns of family and personal income distribution at State and sub-state regional level. While the distribution of incomes within States is similar, there are considerable differences between regions. These were apparent in both census years, although the recessionary phase of the late seventies brought an apparent narrowing of the gap between metropolitan and non-metropolitan regions.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, GEOGRAPHICAL DIFFERENCES.

270 PIGGOTT, John (1984), **'The Distribution of Wealth in Australia - a Survey,** Discussion Paper No. 93, Centre for Economic Policy Research, Canberra, Australian National University, 53pp.; paper presented to the Social Justice Project; also in The **Economic Record,** 60 (170), September, 252-65.

'This paper surveys and analyses the available evidence on the distribution of wealth in Australia. At the risk of some oversimplification, the following conclusions can be drawn from the research surveyed: the cross-section distribution of personal wealth reveals considerable concentration in the top tail, with the top 1% of adult individuals holding around 25% of private wealth, the top 5% about 50% and the top 10% about 60%; the inequality of wealth revealed in the cross-section distribution among the top 10% of wealth holders is not significantly reduced when adjustments are made to correct for life-cycle influences. It may therefore, be interpreted as primarily reflecting "unequal life chances"; the proportion of wealth held by the top 1% of adult individuals has decreased sharply since World War 1. The second to tenth percentiles, however, have almost the same proportion in the 60s and 70s as in 1915, and according to some estimates, have slightly increased their share. Nevertheless, the share of wealth held by the bottom 90% increased from 22% in 1915 to between 35 and 40% in the late 60s; and there is a strong correlation between wealth and income.'

Appendices present available estimated data on Australia's total private wealth and also an estimate of the number of pensioners to be affected by the introduction of an assets test.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, inheritance, WEALTH, BIBLIOGRAPHIES.

271 PIGGOTT, John (1984), 'Wealth tax reform in Australia', **Growth 34, Taxation Reform,** July, 55-67.

'It is frequently observed that Australia is virtually alone amongst industrialised countries in having no general tax on personal wealth, either on its ownership or its transfer. This situation is peculiar in a nation that at least periodically lays claim to an egalitarian philosophy, since the primary purpose of wealth taxes is to make the distribution of wealth more equal. The inequality of the distribution of wealth holdings across adult individuals is much greater than the corresponding distribution of income. Further, the taxation of wealth for redistributive purposes seems to imply far less serious incentive effects on savings, and labour supply choices than redistributive income taxation.' 'The purpose of this paper is to outline the wealth tax options available to Australian policy makers and explore their economic implication.' The paper begins by summarising and interpreting the evidence on the Australian distribution of wealth. It then discusses options and concludes that 'capital transfer taxation is to be preferred to an annual wealth tax'.

FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

272 PIGGOTT, John (1986), 'The economic effects of changing the tax mix: some preliminary results from an applied general equilibrium model of the Australian economy and public sector', in John G. HEAD (ed.), **Changing the Tax Mix,** papers presented at a conference organised by the Centre of Policy Studies, Monash University, Sydney, Australian Tax Research Foundation, 95-113.

The paper reports and interprets tax mix change simulations using a disaggregated applied general equilibrium model of the Australian economy and public sector. The tax reform specified was the introduction of a broad-based consumption tax; the abolition of the wholesale sales tax; and the proportionate reduction in marginal income tax rates to maintain tax collections at a constant fraction of national income. The Australian General Equilibrium Model (AUSGEM) 'endogenises both labour supply and savings, and can thus address the major incentive and efficiency issues which are associated with the proposed tax reform'. The findings indicate that 'a change in the tax mix of the kind specified above is likely to generate substantial welfare (or "value of income") gains'; the redistributive impact is analysed and the sensitivity of the changes to various measures is discussed. The results 'offer tentative ground for reducing the consumption and income marginal tax rate structure between goods and leisure. They also suggest a distributional case for the non-exemption of necessities from the consumption tax base'.

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Taxation.

273 PIGGOTT, John (1987), 'Statistical incidence studies: an economic perspective', in Peter SAUNDERS (ed.), **Redistribution and the Welfare State: Estimating the Effects of Government Benefits and Taxes on Household Income,** SWRC Reports and Proceedings No. 67, Kensington, Social Welfare Research Centre, University of New South Wales, 47-63; with comments by Neil WARREN, 64-66.

This paper argues that 'while statistical incidence calculations can provide a valuable starting point for assessing the redistributive impact of government policies, they do not of themselves provide consistent answers to questions about the patterns of gains and losses to particular household groups, and should not be so interpreted.' 'There are a number of reasons for this, but a recurring theme is that the statistical approach abstracts from important issues', so that behavioural effects are not taken into account. Omitting excess burdens of taxation from redistributive calculations is likely to introduce errors. Relative price movements following a tax policy change can also affect results; statistical calculations also ignore the consumer surplus gains from co-operative supply of public goods. 'Finally, statistical incidence studies are invariably based on annual calculations. A life cycle approach is strongly preferred, partly because annual income is a poor guide to underlying real income, and especially because much redistributive government policy alters the distribution over individual life cycles more than it changes the distribution of lifetime resources across individuals.'

Comments on the paper, made by Neil WARREN relate to the fact that 'the determination of fiscal incidence is a general equilibrium problem'.

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Age, FACTORS AFFECTING REDISTRIBUTION: Taxation.

274 PIGGOTT, John (1988), 'The distribution of wealth; what is it, what does it mean and is it important?', **Australian Economic Review,** 3rd Quarter, 83, Spring, 35-41.

'This paper summarises the available evidence on present-day distribution of wealth in Australia, and draws comparison with international evidence.' It includes a section on the role of inheritance in explaining the distribution of wealth, and a discussion about the uses of wealth distribution statistics. The case for taxing wealth is also canvassed. The author argues 'that an initiative to collect more up-to-date information on Australia's wealth distribution would be more useful if it focused on the least wealthy 90 to 95 per cent of the population, even though this group probably owns not more than half the nation's wealth'. Comments on the paper are included in the same number of the journal: Ross A. WILLIAMS (p.53) and John CREEDY (p.76).

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Inheritance, WEALTH.

275 PIGGOTT, John and WHALLEY, John (1984), **Net Fiscal Incidence Calculations: Average Versus Marginal Effects,** Working Papers in Economics and Econometrics, Working Paper No. 112, Faculty of Economics, Research School of Social Sciences, Canberra, Australian National University, 31pp.; a version appears as 'Interpreting net fiscal incidence calculations', **Review of Economics and Statistics** (1987), 69(4), November, 685-94.

This paper uses 'a numerical general equilibrium model of public sector activity in Australia' devised by one of the authors, 'to evaluate calculation of net fiscal incidence. The latter are frequently used to provide an evaluation of the redistributive impact of government tax and expenditure policies by allocating the effects of each by income range. These calculations have been influential by supporting the widely held view that the only significant redistributive impact of government programmes occurs with transfer payments'. The model used here differs from other models by including 'public goods in household preference functions'. Results highlight two themes. 'First it is inappropriate to regard the redistributive impacts of government policies as a zero sum game in which net benefits sum to zero, as is commonly done in net fiscal incidence calculation.' For cases where large changes in public goods provision and taxes occur, the dominant effect is the foregone consumer surplus from public goods provision and all households lose significantly. 'Second, the redistributive impacts of small changes in public goods provision and taxes are quite different from large changes. In the former case the distribution by income range of the marginal rates of substitution between public and private goods, together with the marginal welfare costs of taxation, determines the results. In the latter, the size distribution of the consumer surpluses by income range is crucial. These outcomes will typically be quite different. Marginal and average net fiscal incidence estimates need to be clearly separated, a point not emphasised in existing literature.'

METHODOLOGY.

276 PITMAN, David (1983), **The Determination of Junior Wages in Australia: Needs, Work Value and Employment,** Conference Paper No. 26, Canberra, Bureau of Labour Market Research, 37pp.+

'Australian industrial tribunals have traditionally acknowledged two principles in benchmark decisions pertaining to junior award wages, the "needs" of juniors and the "value" of work they perform. A third, the "allocative" principle, though less formally recognised has nevertheless been utilised by the tribunals in numerous cases. A fourth, capacity-to-pay, has really only had indirect impact.' The paper argues that junior wages are not reviewed frequently enough to ensure that inappropriate relativities are not maintained for any length of time.

WAGES, YOUTH.

277 PODDER, N. (1972), 'Distribution of household income in Australia', **Economic Record,** 48, June, 181-200.

'The main purpose of this paper is to examine the size distribution of income of Australian families and to evaluate the inequality measures of the distribution. In addition to the estimation of the degree of inequality from the full sample, the families are subdivided into homogeneous groups on the basis of certain socio-demographic characteristics and the distribution of income within each sub-group is examined. As income does not always represent the actual economic position of the family, it is sometimes replaced or supplemented by the total family expenditure.' 'In order to obtain an idea of the relative economic position of a family, the family income distribution is transformed by deflating the incomes for the differences of family composition, and the inequality measures are then computed.' Results presented in tables relate to: disposable income and family expenditure; income, expenditure and family size; income ranges and family size; income ranges and occupation groups; income ranges and education groups; income ranges and age groups; and measures of inequality for six countries.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Age, education, employment, family.

278 PODDER, N. and KAKWANI, N.C. (1973), **Distribution of Wealth in Australia,** Study made under the auspices of the Commonwealth Taxation Review Committee, Kensington, New South Wales, 54pp.; assisting author: L.J. KANE; a version appears in **Review of Income and Wealth,** (1976) Series 22(1) March, 75-92.

The paper is based on data from the **Australian Survey of Consumer Finances and Expenditure 1966-68,** which provides information on the assets and liabilities of a sample of families. The analysis begins with the composition of net worth, assets and liabilities and studies the extent of inequality of wealth and assets. The sample of households is decomposed according to some socio-demographic characteristics of the family and family-head. Changes in wealth are analysed, since the last Census of individual wealth was carried out in 1915. An international comparison is made of inequality of wealth. This comparison shows that Australia shares wealth much more equally than Britain and America. The authors speculate on the causes and discuss briefly home ownership, distribution of income, and ownership of rural property. They conclude by examining some of the deficiencies of the study.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME, WEALTH.

279 PODDER, N. and KAKWANI, N.C. (1975) 'Distribution and redistribution of household income in Australia', in TAXATION REVIEW COMMITTEE, **Commissioned Studies,** Canberra, AGPS, 111-51.

'This study is intended to investigate the impact of personal incomes tax and government cash benefits on the distribution of household income in Australia.' The data used are from the **Australian Survey of Consumer Finances and Expenditures 1966-68** (N.T. Drane, H.R. Edwards and R.C. Gates). This study does not consider the effects of indirect taxes imposed by the Commonwealth, State and local governments. The paper discusses definitions of concepts used and some of the limitations of the study. In a further section 'the composition of income and the extent of inequality of incomes in the absence of taxes and benefits' is discussed. The fourth section considers the 'overall impacts of cash benefits, income tax, and imputed rent from owner occupied houses on the distribution of family income'. The fiscal impact on the distribution of incomes within households belonging to different socio-demographic groups is also analysed.

'The main finding of this paper is that government cash benefits go much further than income tax in redistributing income. Government cash benefits reduce income inequalities by transferring a substantial amount of income to families in the very low income ranges through the payment of various types of pensions. Benefits are given to low income families mostly without regard to socio-demographic characteristics ... The redistributive role of progressive income tax has been found to be exaggerated.'

METHODOLOGY, DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

280 PODDER, N. and KAKWANI, N.C. (1975), 'Incidence of indirect taxes and company income tax', in TAXATION REVIEW COMMITTEE, **Commissioned Studies,** Canberra, AGPS, 201-10.

'This paper traces the incidence of various indirect taxes and company income tax on Australian households. The households have been grouped by range of income and by family size or age of the head of the family.' The data sources are described. The results show that 'the proportion of indirect taxes to gross income declines with age of the head of the household'.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Age, family, FACTORS AFFECTING REDISTRIBUTION: Taxation.

281 POWER, Margaret (1974), 'The wages of sex', **Australian Quarterly,** 46(1), March, 2-14.

'It is the purpose of this paper to examine one aspect of institutional discrimination against women - the differences in incomes of women and men - and offer some thoughts on the implications of the low absolute level of female earnings, and the large gap between female and male earnings.' In 1968-69 the median income for women was $740 and for men it was $3,050; that is, the typical Australian woman received an income just over one quarter of the income of the typical man. 'The data show that the discrepancies between male and female incomes exist not only in overall terms, but also in every occupation - from assembly worker to teacher. These discrepancies persist despite increases in educational levels and increases in work experience.' The author argues that discrimination in the labour market is a factor contributing to this persistence of income inequality.

FACTORS AFFECTING DISTRIBUTION: Gender, WAGES.

282 PREST, Wilfred (1945), 'Rents in Melbourne', **Economic Record,** 21 June, 37-54.

The paper is based on data collected in the Melbourne University Social Survey, 1941-43. The survey is described. Data are presented on the nature of tenure of householders in relation to income, age and length of occupancy. The article concentrates on renters and presents data on households classified by income and rent. The results are compared with Britain and the USA, and also with Australian data from the 1933 census, showing a rise in rent over the period. Results indicate that Australians spend a higher proportion of their income in rent than people in the other countries.

FACTORS AFFECTING DISTRIBUTION: Housing.

283 PREST, Wilfred (1952), **Housing, Income and Saving in War-Time: A Local Survey,** Department of Economics, University of Melbourne, 132pp.

The area surveyed is described, along with the sample and the methodology used. The terms used in reporting results are defined. The survey was carried out in two stages, in 1941 and 1943 . The sample which is analysed with regard to income data comprises 187 households, that is, 76 per cent of those households which were in occupation of the same dwelling at both dates. The data are presented according to the housing status of respondents, that is, owner occupiers and tenants and purchasing owners. Causes for changes in income over the period are canvassed. The number of breadwinners per household, the income per breadwinner and the increase in the number of women workers are discussed. The role of welfare transfers is also discussed. Earners and earnings are classified by age, sex and occupational history. The rise in household income is considered in relation to its adequacy, to household needs and the cost of living, and an effort is made to make an objective measure of 'poverty'. Savings made by the respondents are also examined and the publication concludes a consideration of the relationship between income and savings and dissaving, with particular reference to Keynesian theory.

METHODOLOGY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, gender, housing, WOMEN.

284 QUEENSLAND BUREAU OF INDUSTRY (1951), 'The distribution of incomes between individuals', **Review of Economic Progress,** 3(2), February, 4pp.

'This branch of investigation is extremely easy in comparison with most fields of applied economics. This is in consequence of a remarkable discovery by Pareto of an empirical nature. (The theoretical reasons which have been advanced in support of Pareto's results are as yet quite inadequate.)' The article explains Pareto's law and the derivation of Pareto's coefficient, and the relationship of the coefficient to the Lorenz curve (and to the Gini index of concentration). A table then presents 'all available Pareto coefficients' by country and year, and includes the source of the information the earliest being for Britain in the Dömesday Book, calculated for the Cowles Commission Report, (1950).

'Pareto was mistaken in thinking that there was a high degree of uniformity between the value of these coefficients in different times and places. On the other hand the range of dispersal is in some ways less than might have been expected.' 'The greatest degree of equalisation of income is found in Australia and New Zealand, Sweden and the Prairie Provinces of Canada.' Reasons are advanced. Pareto coefficients are tabulated for Denmark for class of income earner i.e. farmers, wage and salary earners and employers. The material in this paper is reproduced in CLARK (1951) 2nd edition (q.v.).

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME.

285 RASKALL, Phillip L. (1977), **The Distribution of Wealth in Australia 1967-1972,** Planning Research Centre, University of Sydney, 55pp.

'This study represents an exploration of what is remarkably almost unexplored territory in Australia. For the first time, Estate Duty statistics are used as the basis for determining the national distribution of wealth, and the extent of inequality amongst Australians.'

'These data reveal that 1 per cent of the adult population owns 22 per cent of personal wealth, the top 5 per cent, 46 per cent, and the top 10 per cent almost 60 per cent of the wealth of Australians. Half of all Australians own less than 8 per cent of Australian wealth. The top 5 per cent own more than the bottom 90 per cent put together.' Some comparisons of inequality (using Gini coefficients) are made with other countries. Results are also given by age, sex, and industry. A comparison is also made with wealth distribution estimates in 1915 showing some increase in equality, particularly in the wealth holdings of the top 1 per cent. The author speculates on the factors which might have contributed to this breakdown in concentration: 'the spread of home ownership; the decline in average unemployment; the changing occupational structure associated with industrialisation; the break-up of rural holdings; and the strengthening role of trade unions, reducing wage differentials.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, housing, WEALTH.

286 RASKALL, Phil (1978), 'Who's got what in Australia: the distribution of wealth', **Journal of Australian Political Economy,** 2, June, 3-16.

The author discusses the favourable treatment of wealth, as compared with labour, in Australia. Recent changes in taxation are described, continuing this favourable treatment against the background of the 'myth of classlessness' and the reality of the existence of wealth. The paper looks at methods of estimating the distribution of wealth and presents data from the author's estimates. Tables show distribution of wealth; the estimated distribution of wealth between age groups and between sex groups, 1970; distribution of wealth by industry group; distribution of ownership of realty and personality; wealth ownership in Australia and Great Britain; and inequality measures in 1915 and 1970. 'The data presented in this paper reveal the falsity of the classlessness myth in Australia. The social manifestations of class may not be as apparent as in Britain, but the economic inequalities are. Concerted efforts are required to resist the present attack on property tax which seeks to conceal the inequality in the distribution of wealth.'

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Age, class, employment, gender, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH, JUSTICE.

287 RASKALL, Phil (1986), 'Wealth. Who's got it? Who needs it?' **Australian Society,** 5(3), March, 12-15.

The article presents data on wealth in Australia from a number of different sources. The earlier figures relate to average wealth holdings per person. Further data attempts to show the distribution of the wealth, by making some assumptions. The author concludes that 'the top three per cent of wealth-holders own about 30 per cent of wealth of Australia, and that the top 200,000 adult wealth-holders own about $150 billion'. Another analysis indicates that one per cent of adult Australians own between one-fifth and one-quarter of all wealth. The figures point up the extent of inequality in Australia and the author supports the establishment of a thorough study of wealth distribution.

DEGREES OF INEQUALITY, WEALTH.

288 RASKALL, Phil (1987), 'Wealth: Who's got it? Who needs it?', **Australian Society,** 6(5), May, 21-4.

The article brings up to date the estimates of wealth holdings reported by the author earlier. The new estimates 'indicate that the wealth owned by Australians is set to top the $1000 billion mark by the end of the year', and that the rich are getting richer. An estimate of overseas ownership of Australia is also included.

DEGREES OF INEQUALITY, WEALTH.

289 REECE, B.F. (1975), 'The income tax incentive to owner-occupied housing in Australia', **Economic Record,** 51, 218-31.

'The exclusion from the personal income tax base of imputed rental income from owner-occupied housing represents an implicit subsidy to home-ownership. This subsidy was created by legislative change in 1923. The subsidy stimulates over-investment in owner-occupied housing; the welfare loss caused by this over-investment is estimated to be of small order of magnitude for a sample of Sydney households in 1966-67. Consequently, the case for removing the subsidy appears better based on the horizontal inequity it creates between owner-occupiers and renters, for the tax savings received by owner-occupied households are substantial. Therefore equity rather than allocative considerations appear to constitute the stronger challenge to the continuance of this implicit subsidy to home-owners.'

FACTORS AFFECTING DISTRIBUTION; Housing.

290 REECE, B.F. (1985), **A Comparison of Inequality in the Distribution of Income Amongst Australian Owners and Renters,** Discussion Paper No.121, Centre for Economic Policy Research, Australian National University, 24pp.

'This paper examines the distribution of incomes of owners and renters of dwellings. It finds that while the mean income of renters is lower than for owners, nevertheless the degree of inequality of income distribution was similar for both groups in 1974-75. It does this in a new way by calculating Gini coefficients to measure the income inequality of owners and renters. The falsity of the stereotype that renters are all poor is revealed by the finding that renters include some who are well-off. Consequently, the paper concludes that any policy which fails to direct aid to particular groups of renters will also aid those renters not in poverty. In particular, the exploration of income inequality undertaken by means of Gini coefficients will be relevant to debating whether the lowering of rents consequent upon a failure to tax capital gains on rental housing has benefitted the poor exclusively.'

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Housing.

291 REIN, Martin (1981) 'Private provision of welfare: from welfare state to welfare society', in Ronald F. HENDERSON (ed.), **The Welfare Stakes: Strategies for Australian Social Policy,** Melbourne, Institute of Applied Economic and Social Research, University of Melbourne, 9-44. Additional information: Ian MANNING. Comments: Tom BRENNAN and Hugh STRETTON.

'Conventional economics treats the economy as generating an "original" distribution of income, brought about by the market principle of supply and demand and marginal productivity, and a redistribution of income, brought about by government's active intervention to realise social objectives. But this intellectual effort fails to take account of government's role in shaping "original" income.' This chapter explores 'issues in the conceptualisation of modern industrial societies through an inquiry into the phenomenon of fringe benefits'. The author argues that the distinction between wages, fringes and welfare is 'fuzzy'. 'There is no good, direct quantitative estimate of the degree of the public-private mix, or the degree of the penetration of fringe benefits into the core of wages for productive labour.' The chapter looks at the fraction of resources over which wage earners have control. It examines the role of government in private sector welfare (mandating, regulating, stimulating and supporting), the welfare state perspective, the welfare economy perspective, welfare in the welfare economy, the substance of fringe benefits (shelter against insecurity, time away from productive work, consumption subsidies, discretionary cash grants, 'prevention' and statutory provisions), rationales, entitlement and distribution and relational vs distributional effects of fringe benefits.

Some information on the distribution of fringe benefits is supplied by Ian MANNING.

FACTORS AFFECTING DISTRIBUTION: Occupational welfare.

292 RICHARDS, Graham (1980), 'Income distribution', **Economy in Operation 4,** 67-77.

'What is meant by the terms income and income distribution, how is the distribution of income determined and what is the nature and effectiveness of government policy directed towards redistribution? These issues are the subject of this chapter.' The introduction discusses the meaning of some terms used by economists, such as factor pricing, factor shares, personal distribution, and the economist's definition of income which includes such items as capital gain or losses, fringe benefits, goods and services produced and consumed in the home, imputed services such as imputed rent from home-ownership, and the need to express income in terms of 'real income' to take account of price variations. Following sections discuss the wage structure, the personal distribution of incomes with tables presenting Australian data, theories of personal income distribution (labour incomes and incomes from wealth), policies for redistribution of income, taxation and social welfare, the impact of income redistribution policies and the redistribution of wealth. The chapter also includes a brief section 'Policies for income redistribution: a slightly sceptical view', which presents the views of economist Milton Friedman. The author concludes that ultimately 'income distribution is concerned with economic inequality; with differences in access to goods and services and therefore in living standards between individuals and families'.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Employment, asset income, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, WAGES.

293 RICHARDSON, Sue (1979), 'The impact of the Australian taxation system on the distribution of income', **Economic Papers,** 62, November, 42-52.

'This paper draws on existing material to make two points. First, what we would ideally like to measure in order to estimate the effect of taxes on the distribution of income is not fully settled in theory, and is impossible to measure in practice. Second, despite the theoretical and practical difficulties, a number of people have attempted such estimates, and the results of their work will be reported.'

'The paper does not attempt to argue the case for redistribution of income, nor to assess the scope for an increase in the extent of redistribution in Australia. However, there does exist an extensive system of taxation (and expenditure) which has redistributive consequences which may or may not be intended. It is necessary to know what these redistributive effects are before it is possible to judge whether or not they are desired. This paper resists the temptation to comment on the issue of desirability in order to concentrate on how much we can and do know about the redistribution caused by the tax system.'

FACTORS AFFECTING REDISTRIBUTION: Taxation.

294 RICHARDSON, S. (1979), 'Income distribution, poverty and redistributive policies', in F.H. GRUEN (ed.), **Surveys of Australian Economics, Volume II,** Sydney, George Allen and Unwin, 11-62.

'Every economic change involves some impact on the distribution of income and most probably also on the degree of inequality.' The chapter reviews literature which is directly concerned with questions of distribution, poverty and redistribution. The section on income distribution is divided into discussions of the distribution of earnings, the functional distribution of income and the size distribution of income and wealth. The middle section deals with poverty and the final part, concerned with redistributive policies, is further divided into sections on negative tax schemes, the issue of whether social security benefits should be earning related, redistribution through the tax system, and housing.

DEGREES OF INEQUALITY, FACTORS AFFECTING DISTRIBUTION: Housing, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, BIBLIOGRAPHIES.

295 RICHARDSON, Sue (1984), 'Inflation and the dispersion of pay', in Richard BLANDY and Owen COVICK (eds), **Understanding Labour Markets,** Sydney, George Allen and Unwin, 37-60.

A series of different sets of data on occupational pay rates were used to detect the extent and nature of the effect of inflation on the dispersion of pay. The limitations of the data and of the methodology are discussed. It is concluded, on balance 'that, while there is some evidence for an inflation effect, it is by no means overwhelming. If there is such an effect it is in the direction of causing compression of the pay structure, especially at higher levels of inflation'. The effects of unemployment are also examined.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, WAGES.

296 RICHARDSON, Sue and HANCOCK, Keith (1981), **The Distribution of Lifetime Earnings in Australia,** Working Paper Series No. 43, National Institute of Labour Studies Inc., Bedford Park, Flinders University of South Australia, 35pp.+

This paper 'considers the meaning and nature of inequalities when earnings are examined from the perspective of **lifetime** experience.' It discusses 'the explanatory power of human capital theory'. Data are used from the 1976 Census on full-time employees in seventy-one occupations. The method of calculation of lifetime earnings is explained, and in particular the paper discusses the 'discount rate' associated with choice of occupation and education level.

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Age, education, employment.

297 ROBINSON, Judi and GRIFFITHS, Bob (1986), **Australian Families: Current Situation and Trends; 1969-1985,** Background Paper No. 10, Canberra, Australian Bureau of Statistics Social Security Review, 27pp.

The paper presents a range of data available on Australian families, which has been drawn from both Australian Bureau of Statistics and Department of Social Security sources, showing a number of significant changes in the numbers, composition and characteristics of families over the period from 1969 to 1985. Information on the distribution of family incomes is presented, by family/income unit type. The principal source of income of income unit types is also tabulated. A number of trends are identified including 'the continuing trend for sole parents, particularly females, to have lower mean incomes than married couple families with dependent children'.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Gender, employment, family.

298 ROSENMAN, Linda and LEEDS, Marilyn (1984), **Women and the Australian Retirement Age Income System,** SWRC Reports and Proceedings No. 42, Kensington, Social Welfare Research Centre, University of New South Wales, 102pp.

The aged population in the future, as now, will be predominantly female. This report focuses on the implications of this numerical predominance for the income support system of elderly people. The adequacy and equity of the retirement income system is examined with attention to both the non-contributory age pension and private occupational superannuation. The latter is subject to taxation benefit, has been designed to fit the pattern of a continuously employed male with a dependent female spouse and so does not benefit women to the same degree as it benefits men. The first chapter presents demographic data as well as data about incomes of retirement age men and women. Marital and employment patterns of women are analysed to determine the likely economic situation of women in future generations. The second chapter describes the components of the system for old age income (public welfare, occupational welfare and fiscal welfare) and the interactions between them, with particular reference to the treatment of women. Further chapters are concerned with options for reform of the current system to help it better meet the structure of women's lives.

FACTORS AFFECTING DISTRIBUTION: Age, gender, employment, FACTORS AFFECTING REDISTRIBUTION: Occupational welfare, RETIREES, WOMEN.

299 ROWE, L.G. (1982), 'Reason, force or compromise: egalitarian wage structures under bargaining and arbitration', **Journal of Industrial Relations,** 24(2), June, 245-65.

'It would appear that there is widespread acceptance, at face value, of the view that the Australian arbitration framework produces a more egalitarian wage structure than would exist in it absence. Further, this egalitarian role, which it is said must exist in compulsory arbitration, is to be contrasted with collective bargaining where power struggles are said to be the order of the day and the weak (in terms of bargaining power) fall by the wayside. The aim of this paper is to seek to establish whether this particular view of Australia's industrial relations system is a fact or a myth. Previous studies, the new evidence presented and the explanation of the forces of work in wage determination all combine to suggest that the Australian relative wage structure would not be very different under collective bargaining in times of either full employment or high unemployment. The widely held view of the compulsory arbitration system being more egalitarian than collective bargaining is contradicted. Support for a continuation of the present system in Australia should have to rely on other advantages offered or believed to be offered by Australia's centralised compulsory arbitration system.'

WAGES.

300 RUBINSTEIN, W.D. (1979), 'The distribution of personal wealth in Victoria 1860-1974', **Australian Economic History Review,** 19(1), March, 26-41.

'It is the aim of this paper to provide, for the state of Victoria, a consistent source of historical statistics for the distribution of personal wealth and to consider their implications. The paper follows the procedure in most comparable studies of surveying personal wealth-holding from the probate statistics of wealth passing at death.' The results indicate increasing equality in general as well as greater equality between the sexes and larger median and mean estates. 'The decrease in the Gini coefficient was greater between 1953-54 and 1962-63 than between 1962-63 and 1973-74, particularly among women, but the increase in the median size of estates, and the sharp narrowing of the gap between the mean and median size of men's and women's estates has been greater in the more recent period.'

DEGREES OF INEQUALITY, CHANGES OVER TIME, GEOGRAPHICAL DIFFERENCES, WEALTH.

301 RUBINSTEIN, W.D. (1980), 'The top wealth holders of New South Wales, 1817-1939', **Australian Economic History Review,** 20(2), September, 136-52.

'The purpose of this paper is to describe some f the more important group characteristics of the wealthy classes in New South Wales over a long period, 1817-1939. In particular, the changing size of fortunes among New South Wales's top wealth-holders and their occupations or sources of wealth will be examined.' The research methods, mostly the use of probate records, is described. The author concludes that the levels of wealth-holding and the sizes of top fortunes have been low in New South Wales in relation to comparable societies. Comparisons are made with England, the United States, Canada and Prussia, and with Victoria where the depression of the 1890s reduced its position relative to New South Wales. Differences with South Australia are also discussed. The paper discusses the size of the estates of women which display a trend to approach the size of those left by men. There is discussion of the occupational composition of New South Wales wealth-holders, showing that pastoralists were the largest single group of wealth-holders in all periods; in spite of a number of shifts among the other occupations described, there has been a 'marked lack of change in the occupations of the rich' over the period.

DEGREES OF INEQUALITY, CHANGES OVER TIME, GEOGRAPHICAL DIFFERENCES, WEALTH, WOMEN.

302 RUBINSTEIN, W.D. (1980), 'Wealth in Australia', **Quadrant,** 24(6), June, 60-7.

'The purpose of this essay is to indicate (in a digestible way) some of the more important conclusions of a historical research project ... which aims at studying wealth-holding in the Australian States. This study derives its data form the probate records of wealth left at death; these records exist in each of the Australian States from the mid-nineteenth century and in New South Wales from 1817.' The methodology is explained. The study covers the period to 1930. The major findings are that levels of wealth, in world terms, were low; most wealth holders earned their wealth in a small range of occupations, mainly pastoralism and commerce; finance and banking were only a limited source of great wealth and heavy industry did not contribute until the inter-war period; wealth holders were overwhelmingly of Anglican/Presbyterian origins; they were often personally relatively obscure, in terms of personal renown and did not overlap significantly with the political elite or even the socially prominent; there was a high level of upward social mobility into the wealth class from middle class backgrounds; and the characteristics of the wealth elite were similar in each State.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, WEALTH.

303 RUSSELL, Donald (1973), **An Appraisal of the Australian Personal Income Tax 1954-1970,** M Series No. 37, Committee for Economic Development of Australia, 86pp.

'Between 1954 and 1969 there was virtually no change made to the personal income tax scale. As the personal income tax rate scale is structured to fall progressively more severely on higher incomes, the general rise in earnings meant that over the period 1954 to 1970 the proportion of total actual income paid as personal tax rose considerably.' This study examines tax statistics, distinguishing between collections from wage and salary earners (pay as you earn taxpayers) and tax paid by non wage and salary earners. The analysis indicates that 'that between 1954-55 and 1969-70 the Australian personal income tax and its associated tax laws operated in such a manner that taxpayers obtaining their earnings from wages and salaries were treated far more severely than were taxpayers obtaining their earnings from non wage sources', the latter being able to more successfully ward off the consequences of the unchanging progressive income tax rate scales and rising incomes.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Asset income, employment, FACTORS AFFECTING REDISTRIBUTION: Taxation.

304 SAMUELSON, P.A., HANCOCK, Keith and WALLACE, Robert (1970), **Economics: Australian Edition: An Introductory Analysis**, Australia, McGraw-Hill, 901pp.

This text book includes a chapter (pp.108-28), 'Affluence and poverty', which is concerned with inequality. 'The importance of people's wealth and income lies not only in the direct effects of affluence and poverty on human welfare, but also in the influence which income has over other aspects of society; political opinions, population growth, the structure of industry, the composition of production, and cultural and religious attitudes. It may be difficult to explain any one person's political and social behaviour by reference to his income; but the more we combine people in groups and classes, the more important wealth and income seem to become as factors influencing behaviour.' The chapter discusses 'the decline of poverty', international comparisons and the difficulties associated with making them, the growth of production and industrialisation the distribution of income and some techniques of measuring inequality (Lorenz curves and percentile analysis), distribution of wealth, inequalities in wages, the relationship between income, education and ability, the problem of poverty and the identification of those living in poverty.

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Education, WEALTH, WAGES.

305 SAUNDERS, Peter (1982), **Equity and the Impact on Families of the Australian Tax-Transfer System**, Monograph No. 2, Institute of Family Studies, Melbourne, 115pp.

'This study is primarily concerned with the effects of the Australian income taxation and income support systems on the relative income positions of families of differing size and composition.' The first section outlines the Australian income taxation and income support systems and traces their development over two decades. In the second section there is a discussion of equity 'and the other two major principles of the tax-transfer system, efficiency and simplicity. Since the major focus of this study is on equity and the redistributive impact of the system, both horizontally and vertically, the important question of the incidence of taxation and income support payments - who actually pays and receives them, respectively - is then addressed. Section 3 contains a comprehensive and detailed analysis of how the tax and income support systems have affected different families over the last two decades.' Section 4 discusses ways in which the focus of policy could be shifted, and presents three reform proposals. The last section presents the major findings and their implications.

The volume includes comments on the paper by Meredith EDWARDS and Ronald F. HENDERSON.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Family, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

306 SAUNDERS, Peter (1983), 'An Australian perspective on wealth taxation', in John G. HEAD (ed.), **Taxation Issues of the 1980s**, papers presented at a conference organised by the Centre of Policy Studies, Monash University, Sydney, Australian Tax Research Foundation, 397-412.

The paper outlines Australian experience with wealth taxation, presents evidence on the causes and extent of wealth inequality in Australia and considers some issues in the design of wealth taxes. It is argued that 'the case for taxing wealth transfers is particularly strong as a means of limiting wealth inequality and that the horizontal equity justification for an annual wealth tax is also compelling.'

FACTORS AFFECTING DISTRIBUTION: Inheritance, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

307 SAUNDERS, Peter (1984), **Evidence on Income Distribution by Governments,** Economic and Statistics Department, Working Paper No. 11, OECD, 29pp.; also appears as Chapter VII in SAUNDERS, Peter and KLAU, Friedrich (1985) **The Role of the Public Sector,** OECD Economic Studies No. 4, 203-28.

'This paper reviews available evidence on the impact on income distribution of government tax and expenditure systems in a range of OECD countries. It forms part of a larger study on the **Role of the Public Sector. Causes and Consequences of the Growth of Government.** Its main contribution is in pulling together the evidence from existing studies and presenting results in a broadly comparable way, rather than producing new analysis or evidence. The results are presented in such a way that the effects on income distribution of government cash transfers, public expenditure benefits and taxes can be assessed both in isolation and in combination. The methodology on which the estimates are based is briefly outlined and the major features of the results are discussed on a country by country and overall basis.' The author concludes that, overall, 'as in many other countries, the tax system in Australia by itself has only minor effects on the distribution of income', and 'redistribution through the progressive income tax is largely neutralised by the impact of other regressive taxes'. 'When tax, transfer and expenditure programmes are viewed together, it is apparent that public expenditure programmes, particularly the provision of cash transfers, have been almost totally responsible for the changes in income distribution which governments have brought about in OECD countries.'

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

308 SAUNDERS, Peter (1987), 'Past developments and future prospects for social security in Australia', in Peter SAUNDERS and Adam JAMROZIK (eds), **Social Welfare in the Late 1980's: Reform, Progress, or Retreat?,** SWRC Reports and Proceedings No. 65, Kensington, Social Welfare Research Centre, University of New South Wales, 13-44; version of a paper 'The changing nature and effects of the Australian social security system', **Canberra Bulletin of Public Administration,** 51, May, 57-67, delivered at Royal Australian Institute of Public Administration Seminar on 'The Welfare State'.

The paper presents evidence on the impact of social security and other welfare state expenditures on economic growth, discusses the objectives of social security in Australia and how past trends have influenced the nature of the system. It then addresses some developments likely to influence future social security trends. A further section provides insights into the redistributive effect of social security cash transfers in Australia and their effect on income inequality. 'Using comparative income distribution data for four OECD countries, it is apparent that Australia's greater reliance on selectivity has produced a system which is more highly targeted than elsewhere, but less redistributive. Indeed, Australia is characterised by the lowest degree of inequality in original income but the highest degree of inequality after accounting for cash transfer receipts.' Those countries which have adopted universalist principles are found to be characterised by both more redistribution and less income inequality.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

309 SAUNDERS, Peter (ed.) (1987), **Redistribution and the Welfare State: Estimating the Effects of Government Benefits and Taxes on Household Income,** SWRC Reports and Proceedings No. 67, Kensington, Social Welfare Research Centre, University of New South Wales, 77pp.

The publication consists of the papers presented at a Workshop held at the University of New South Wales in May 1987.

The effects of government benefits and taxes on household incomes: estimates for Australia and other countries. Comments by Peter SAUNDERS	Ian CASTLES (q.v.)
Statistical incidence studies: an economic perspective Comments by Neil WARREN	John PIGGOTT (q.v.)

Summary of general discussion, prepared by Vickie LE PLASTRIER

Conference overview Bruce BACON

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

310 SAUNDERS, Peter and HOBBES, Garry (1988), 'Income inequality in Australia in an international perspective', **Australian Economic Review,** 83, 3rd Quarter, Spring, 25-34; also appears as SWRC Discussion Paper No. 4, Social Welfare Research Centre, Kensington, University of New South Wales, 23pp.

'Earlier comparative work on income distribution has tended to suggest that Australia is characterised by less income inequality than other industrialised economics. Concerns about the quality of the Australian data used in such comparisons have led to the need for more detailed assessment of the situation. The Luxembourg Income Study has been a focus for this work by bringing together microdata sets for a range of countries and reorganising them to conform to standardised concepts and definitions. This paper builds on earlier work undertaken as part of the Luxembourg Income Study by including Australia in an international comparative analysis of income distribution and redistribution. The Australian data are those from the **1981-82 Income and Housing Survey**, with income tax imputed onto the data file. Results are presented for the gross and net income distributions between both families and individuals in seven countries. A common set of equivalence scales is also used to adjust for differing family needs. The results indicate that, using several summary measures of inequality, the distribution of income in Australia is less equal than in four of the other six countries studied. Earlier research which placed Australia high on the international league table of income equality is thus not confirmed by the results.'

Comments made on the paper are included in the same number of the journal: Ross A. WILLIAMS (p.53) and John CREEDY (p.76).

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS.

311 SAUNDERS, Peter, HOBBES, Garry and STOTT, Helen (1989), 'Income inequality and redistribution in Australia and New Zealand: an international comparative analysis', in Peter SAUNDERS and Adam JAMROZIK (eds), **Social Policy and Inequality in Australia and New Zealand,** SWRC Reports and Proceedings No. 78, Kensington, Social Welfare Research Centre, University of New South Wales, 7-22.

The aim of this paper is to extend analysis undertaken by Saunders and Hobbes (1988) (q.v.), to include New Zealand in order that its income distribution can be evaluated on a comparative basis. Care has been taken to ensure that the data on which the analysis is based are, as far as is practically possible, comparable across countries. The paper describes the Luxembourg Income Study, takes up some methodological issues, and presents empirical results relating to income sources, the distribution of family income among families and the distribution of equivalent income among individuals and also discusses the sources of inequality. 'On the basis of all the inequality indicators and concepts used in the paper Sweden always emerges as the country characterised by greatest income equality.' Ranking varies somewhat on the precise measure used, for the other countries. However, most 'place Australia sixth out of the eight countries on the international league table of income equality.' New Zealand's ranking is more sensitive to the precise methods and measures adopted, but the distribution is more equal than is that in Australia, though neither country 'can be accurately described as relatively egalitarian, at least among the countries considered here'. The authors argue that there is a fundamental interdependence of the generation of market outcomes and the redistributive policies introduced to influence and ameliorate the inequality of market outcomes. 'Recognition of this, combined with a greater understanding that it is **income inequality**, rather than **income redistribution** that is of ultimate concern, would do much to improve social policy discourse and analysis in both Australia and New Zealand.'

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS.

312 SAUNDERS, Peter, HOBBES, Garry and STOTT, Helen (1989), **Income Inequality in Australia and New Zealand: International Comparisons and Recent Trends,** SWRC Discussion Paper No. 15 Social Welfare Research Centre, Kensington, University of New South Wales, 39pp.

This paper addresses two aspects of the distribution of income in Australia and New Zealand. 'The first relates to how income inequality in both countries compares with that in a range of other industrialised countries in the early eighties. The framework adopted for this analysis was that developed as part of the Luxembourg Income Study (LIS) and the data for Australia and New Zealand were re-organised to conform as closely as possible with the LIS concepts and definitions. The results cast doubt on the view that emerged from earlier comparative research which suggested that Australia and New Zealand were both comparatively egalitarian nations.' Some reasons for the findings are canvassed including the sensitivity to the precise income measure used, the years for which the data were available, demographic differences and the choice of equivalence scales.

'The second issue addressed focused on changes in income inequality in Australia and New Zealand between 1981-82 and 1985-86. This analysis again utilised the framework and concepts developed as part of the LIS project.' The similarities and differences in policy emphasis and reforms are discussed. The results indicate that income inequality in both countries increased during the period, 'reflecting an increase in the income share of the top quintile, the increase in inequality being slightly greater in Australia. Although the data do not permit an accurate assessment of the relative importance of the factors contributing to the increase in inequality, it appears that the rise in property income has been of significance.' Since 1986 marginal (and average) tax at the higher income levels have been lowered in both countries, 'suggesting that income inequality may have increased further in the period since 1986. A fuller account of the impact of both governments on income inequality must wait until data allow the analysis to be extended to cover policies introduced in more recent years.'

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME.

313 SAUNDERS, Peter and JAMROZIK, Adam (eds) (1989), **Social Policy and Inequality in Australia and New Zealand: Proceedings of Joint Conference with the New Zealand Planning Council Wellington, New Zealand, 10-11 November 1988,** SWRC Reports and Proceedings No. 78, Kensington, Social Welfare Research Centre, University of New South Wales, 194pp.

Labor governments elected to office in both Australia and New Zealand in the first half of the decade have adopted broadly similar economic strategies to deal with similar immediate economic problems. The papers in this report represent the beginning of an attempt to assess the extent to which the new policies, 'driven by the dictates of economic rationalism', have been pursued at cost to social policy and social justice. The papers (following the introduction and the opening address by the New Zealand Minister of Social Welfare, Michael CULLEN) which are concerned with income distribution are as follows:

Income inequality and redistribution in Australia and New Zealand: an international comparative analysis.	Peter SAUNDERS, Garry HOBBES and Helen STOTT (q.v.)
Income support for families with children: recent developments in Australia and New Zealand.	Peter WHITEFORD
Some effects of indirect and direct tax changes in New Zealand in the 1980s.	Suzanne SNIVELY
Maori wealth and its contribution to Maori wellbeing.	R.T. MAHUTA
Issues of equality in access to resources: social, economic, political and ethnic factors.	Adam JAMROZIK

Notes towards the distributional consequences of policy changes. Brian EASTON

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

314 SAUNDERS, Peter and KLAU, Friedrich (1985), **The Role of the Public Sector, Causes and Consequences of the Growth of Government,** OECD Economic Studies No. 4, Spring, Paris, OECD, 239pp.

The role of the public sector in developed economic has grown, and the climate of opinion in which it exists has changed as the consequences of the growth of public sector activity is recognized. In this study, trends in public sector activity in OECD countries for the period from 1960 to 1982 are analysed; comparisons are made with private sector counterparts where possible. The report discusses the reasons for the growth, particularly in the fields of health, education and some categories of income maintenance expenditure. Subsequent chapters examine the economic consequences of the size and growth of the public sector. The authors then turn to the consequences of the growth in public sector activity. One chapter focuses on the expenditure side, two on the economic effects of the increase in financing requirements which have accompanied the growth in government expenditure and the fourth 'turns to the effect of a broad range of government cash transfer, expenditure and taxation programmes on the distribution of income. This chapter thus complements the earlier chapters which concentrate on questions of resource allocation and economic efficiency, by discussing issues relating to social equity and economic equality.' (The last chapter is separately annotated as SAUNDERS, Peter (1984), **Evidence on Income Distribution by Governments** [q.v.]).

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

315 SAUNDERS, Peter (1990) 'Income inequality in Australia: lessons from the Luxembourg Income Study', in **Income Distribution Seminar,** Papers and Proceedings of a seminar arranged by the Economic and Social Policy Group, 1989, 21-33.

'This paper addresses two main issues in the context of income distribution analysis. The first relates to the methodology used in income distribution analysis, and the importance of some basic conceptual issues in influencing the way in which statistics are presented and interpreted. The second, which follows from the first, describes the Luxembourg Income Study (LIS) and presents some results in order to illustrate how aspects of income inequality in Australia compare with a range of other countries.' On the basis of evidence from the LIS study 'which represent the best comparative income distribution data currently available - Australia is among the most unequal of the countries included in such comparisons, along with the United States and Israel. It would appear that despite many claims to the contrary, Australia's wages system, selective income tested social security system and heavy reliance on progressive income taxation have not, in fact, produced a more equal distribution of income than elsewhere'.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS.

316 SAWYER, Malcolm (1976), 'Income distribution in OECD countries', **OECD Economic Outlook-Occasional Studies,** July, Paris, OECD, 3-36.

'This study surveys the statistical material available on personal income distribution in OECD member countries.' 'Since basic evidence on the subject of income distribution is not always easily available and is typically of a non-comparable nature, it was felt that a paper summarising statistical findings could be of interest and use at a time when issues of income distribution are becoming increasingly important in discussions of economic policy. The paper makes some attempt at improving the inter-country comparability of the basic data, but it should be stressed that full comparability has not and probably cannot be achieved for numerous statistical, economic and social reasons.'

'The paper covers three main aspects. It firstly surveys some methodological points linked to problems of definition, measurement and data sources. (These points are expanded in the Appendices which provide a short description of the data used for each country). It then brings together data on the size distribution of income for a relatively large number of OECD countries, within a common framework, based on common definitions of households and income. For those countries for which the data are reasonably comparable, it presents a first evaluation of the degree of inequality using a number of measures of skewness in income distribution. Comments are also offered on some general features of the composition of income deciles. For those countries where the statistics are not sufficiently robust to warrant international comparisons, the figures available are shown in a separate section and the reasons for the deficiencies are indicated. Finally, for those countries for which earlier data could be found, some statistical evidence is presented on trends in income distribution over the past 15 or 20 years.'

Australian data are drawn from Podder (1972) (q.v.) and Commonwealth Bureau of Census and Statistics, **Income Distribution 1968-69.** Australia ranks as one of the least unequal countries on most measures though the author believes that this results from the unrepresentative nature of the household size distribution found in the sample.

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS.

317 SCHOTT, Kerry (1989), 'The Government's balancing act', **Australian Society,** 7(12), 8(1), December-January, **Social Justice in Australia,** (supplement), 25-8.

The article is concerned with 'equity and efficiency' in the policies of the federal government. 'Has earnings distribution changed for the better since 1983 and become more equitable? Who earns above and below the average wage? Do cash benefits and transfers reach the disadvantaged or do they go to other groups? What impact do social wage expenditures have on relative living standards? Does the tax system really work in a progressive fashion by taxing people on higher incomes more than those on lower incomes?' These questions are examined with reference to data from the ABS, showing that 'regressive change to the real earnings distribution of both men and women under Fraser contrasts with the change in real earnings distribution under the Hawke Government'. The figures reflect 'the large restraint that has been exercised', and also the inequity in earnings between men and women. The article also looks at changes in employment, the social wage and the effects of taxation; regret is expressed at the government's failure to conduct a wealth distribution inquiry.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Gender, social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

318 SCOTTON, R.B. and SHEEHAN, P.J. (1976), 'The new personal income tax', **Australian Economic Review,** 2nd Quarter, 13-24.

The paper outlines the changes in the income tax and child endowment systems which occurred in the 1975-76 Federal Budget and in the measures introduced on 20 May 1976. The role of personal allowances in taxation policy and the effect of the new treatment of these allowances are considered. The shifts in the burden of taxation among taxpayer groups between 1974-75 and subsequent years are assessed. The impact of those shifts is also assessed. The paper then considers 'the economic aspects of the new arrangements, looking at marginal rates and the progressivity of the new schedules'.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

319 SHANAHAN, Martin (1984), 'Dress circle or stalls? A note on the geography of income distribution in Adelaide', **Flinders Journal of History and Politics,** 10, 23-39. The first part of the paper includes extracts from work in progress by Owen COVICK.

This paper uses data from **Taxation Statistics,** an annual publication of the Commission of Taxation, which has since 1975-76 included a table of 'Taxpayers classified by residential postcode groups corresponding broadly to Australian Electoral Division'. The table, at least for the years 1978-79, 1979-80 and 1980-81, included data on the number of taxpayers, the aggregate taxable income assessed and the aggregate net tax assessed. There is a discussion of the 'caveats' which need to be borne in mind when using such a data source. This paper uses the first two of these three figures published per postcode district to calculate the mean taxable income per taxpayer in each postcode district in the Adelaide area and then ranks the districts according to this 'average income'. A summary of this data is presented in map form, showing income distribution in postcodes for each quintile. A further set of maps are reproduced from publications by D. Jaensch, showing the distribution of voters in the area, for the House of Assembly in the 1979 and 1982 elections. The paper then makes a 'tentative comparison between voting patterns and taxable income groups', again with a discussion of the caveats to be borne in mind. 'This paper has been but a brief note to indicate some of the possible issues which could be and should be, explored in the area of the geography of income distribution in Adelaide. Moreover, we have utilized here only a very small portion of the taxation data which are produced annually, for the whole of Australia. It is our contention that, properly used, they could reveal a great deal about Australian society.'

METHODOLOGY, DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES.

320 SHEATHER, Graeme D. (1981), 'Who are the poor aged?' in **Conference on 'Housing for the Needy Aged', 1980,** Sydney, New South Wales Council on the Ageing, 19-45.

The author shows that by two measures of economic power, namely income and wealth, inequality is greatest for the oldest age groups. Research is described which 'has endeavoured to focus upon some of the central concerns surrounding a more appropriate definition of who are the aged; a broadening of the definition of poverty to embrace the notion of "well being"; the articulation of the bases of assessment of the "needs" of poor aged households; and the problems of classifying and locating the specific "types" of such households'. Maps and tables are included.

FACTORS AFFECTING DISTRIBUTION: Age.

321 SMALL, Alison (1979), 'The effects of housing policies on real income distribution', **Australian Quarterly,** 51(2), June, 54-65.

'This paper examines the effects on real income distribution of urban policies with respect to housing. Small argues that such policies frequently exacerbate inequalities. The growth of the CBD (Central business district) is forcing low-income earners to peripheral housing areas. The tax structure and finance markets are biased towards owner-occupation of housing relative to other assets. Although housing is regarded as having high social welfare value, it is harder for the poor to obtain housing loans relative to the better off and also those renting accommodation are paying higher real prices than owner occupiers. Small argues that in the rental sub-markets policies tend to bias private investors away from rental housing whilst many below the poverty line are not in public rental housing.'

FACTORS AFFECTING DISTRIBUTION: Housing.

322 SMEEDING, Timothy (1988-89), 'Poverty, affluence, and the income costs of children: cross-national evidence from the Luxembourg Income Study (LIS)', **Journal of Post Keynesian Economics,** 11(2), Winter, 222-40.

The purpose of this article is to examine the economic conditions of families with children, especially their place in the size distribution of income, and to compare their economic status with that of childless couples. The Luxembourg Income Study database, which allows this comparison to be made between countries, is described. Ten countries are included in the comparison, one of which is Australia. Results are tabulated showing the income position of persons in various types of families ranked by adjusted income, in three groups, representing the poor (below half median income) those 'not quite upper middle class' (below 100 per cent median income) and the 'affluent' (above 150 per cent median income. 'With respect to overall poverty in general, and child poverty in particular, the countries fall into roughly four groups: the Scandinavians (Norway, Sweden) and Germany with the lowest poverty rates, near 5 per cent overall, and lower for couples with children. These are followed by the Swiss and Dutch in the 8 per cent range but still below the overall average rate of 10.1 per cent. Slightly above average are the third group: Canada, Israel, Australia, and the United Kingdom, all in the 11-13 per cent range. The United States has by far the highest overall rate at 17.2 per cent, forming a group of one at the bottom of the heap.' Results are also reported separately for family types in each group. The effects of social protection (income support) and entry into the labour market are discussed. The implications of the results, in relation to living standards and decision to have one or more children are explored, with some reference to the costs of an ageing society.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Economic conditions , family, employment, FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

323 SMEEDING, Timothy M. and TORREY, Barbara Boyld (1988), 'Poor children in rich countries', **Science**, 242, 11 November, 873-7.

'Every wealthy, industrial country has children who are living in poverty. The United States, the wealthiest country of six studied, has a higher poverty rate among children than the other five countries. Each country reduces the poverty of its children with government programs, but substantial differences in the effectiveness of these programs exist among countries. Understanding such differences may be useful in considering how to reduce poverty among children in the United States.'

This article uses data from the Luxembourg Income Study to compare poverty rates of families with children in six industrial countries, including Australia between 1979 and 1981. The post-tax, post-transfer poverty rates (defined in the article) of children are examined, then the poverty rates of families with children before they receive income and tax benefits are described. 'Next the correlations of sources of income and family structures with pre-tax and pre-transfer poverty are discussed, poverty rates of these families after they receive taxes and transfers are compared, and the effect of participation and benefit levels on these rates are examined. Because of their growing numbers and high level of economic disadvantage, single parent families with children are highlighted as a group of particular interest.' Data are discussed also about heterogeneity of the population, that is, poverty rates among minority or ethnic groups within the population. The nature of welfare programs among the countries is compared, with particular reference to the coverage, the amount of income support provided and income support as a per cent of gross domestic product.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Family, FACTORS AFFECTING REDISTRIBUTION; Taxation, welfare transfers.

324 SMEEDING, Timothy, TORREY, Barbara Boyle and REIN, Martin (1988), 'Patterns of income and poverty: the economic status of children and the elderly in eight countries', in John L. PALMER, Timothy SMEEDING and TORREY, Barbara Boyle (eds), **The Vulnerable,** Washington D.C., The Urban Institute Press, 89-119.

The chapter uses material from the Luxembourg Income Study data file which is described. A table presents the ratio of adjusted disposable income to the national mean for families with children (by age of family head) and elderly families for eight countries, using data from 1979, 1981 or 1982 (depending on availability). Measures of relative low-income (that is, below half the median of the national income) and absolute (below the U.S. poverty line) poverty, among the young and elderly are also tabulated and compared. Some possible explanations for the differences in the poverty status of the young and old are advanced: equivalence scales, relative size of the two age groups, family structure, heterogeneity of the population, contribution of secondary earners to family income, income inequality within age groups and the effectiveness of the tax and transfer system. There is a diversity of the results among the eight countries, with more similarity in the economic status of the elderly than of families with children. Australian children are shown to have the highest rate of poverty among the countries included in the comparison.

INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Age, family, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

325 SNOOKS, G.D. (1983), 'Determinants of earnings inequality amongst Australian artists', **Australian Economic Papers,** 22(41), December, 322-32.

The article attempts 'to explain the inequality of earnings amongst Australian visual artists using models of the human capital type. It has been found that the most important variables in the explanation of earnings distribution are those of occupation, sex, hours worked and family responsibility rather than experience and education which are, in the main, insignificant.' The author discusses aspects of the 'human capital' theory.

FACTORS AFFECTING DISTRIBUTION: Education, employment, family, gender, PROFESSIONAL GROUPS.

326 SOLTOW, L. (1972), 'The censuses of wealth of men in Australia in 1915 and in the United States in 1860 and 1870', **Australian Economic History Review,** 12(2), September, 125-41.

'The Australian Census of wealth of 1915 was a unique endeavour in obtaining the distributions of wealth and income of men and women of a country.' The Census indicated 'very substantial inequality' in the distribution of wealth. This article compares the data from this Census with that found in America in 1860 and 1870, to explore the 'constancy of distribution of personal wealth among people before World War I'. The wealth-age relationship is shown to be important. 'The degree of unequalness was acceptable because the average person experienced handsome rates of increase in wealth during his life cycle'.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING DISTRIBUTION: Age, WEALTH.

327 STAPLES, Jim (1985), 'Taxes: the dissenters', **Australian Society,** 4(6), June, 13-19.

The predominant anxiety for government should be 'the demonstrable poverty that exists in Australia and the incredible inequality among our citizens in the matter of access to our income'. Poverty is described as 'acute relative social deprivation' and the article discusses the distribution of income and the need to change the tax laws. 'Tax change is not necessarily tax reform' but should contribute to 'a redistribution of the wealth and income of our country into the hands of the poor and the disadvantaged'. The article discusses government expenditure, taxation expenditures, the definition of income, corporations, capital gains, trusts, deductibility of loses, non-deductibility of interest payments, and payments to associated persons. The author looks at tax avoidance and evasion and puts forward measures to strike at abuses and raise more revenue from business taxpayers and the rich.

FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

328 STARK, Thomas (1977), **The Distribution of Income in Eight Countries,** Background Paper No. 4, to Report No. 5: Third Report on the Standing Reference, Royal Commission on the Distribution of Income and Wealth, London HMSO, 249pp.

The countries compared in this study are Australia, Canada, France, German Federal Republic, Republic of Ireland, Japan, Sweden, and the United States of America. Each country is first compared with the United Kingdom and the study concludes with a comparison over all nine countries. The chapter on Australia begins by discussing the data sources - taxation statistics, ABS data, The **Australian Survey of Consumer Expenditures and Finances 1966-68** carried out on behalf of Macquarie University and analysed by Podder and Kakwani (1975) (q.v.) and by Bentley, Collins and Drane (1974) (q.v.), estimates by Lydall (q.v.) and estimates based on data from the 1933 Census. 'The overall picture is that since the early 1960s, taxation data points to a reduction in dispersion, earnings data to a constancy whilst since the late 1960s the recent income distribution surveys show a movement to less inequality for all individuals with an income, but a constant level for families of two or more persons. In comparing Australia with the United Kingdom it was found that the distribution by households indicated an identical level of inequality; a stronger redistributive effect was found in the United Kingdom. However the dispersion of original incomes and of earnings in the United Kingdom was larger. The distribution of income by individuals, however, indicated less dispersion in the 1970s in the United Kingdom. International comparisons are made with regard to: the structure of personal income, that is, the share of income from employment, entrepreneurial income, imputed rent of owner occupiers, interest, dividends and rent, social security and other transfer incomes; proportions of direct taxation, indirect taxation and social security payments to total personal income; distribution of total personal income by individuals; dispersion of earnings - full-time adult males; distribution of taxable income of tax units; distribution of income of consumer units by total personal income; distribution of total personal income by families and unrelated individuals; distribution of pre-tax and post-tax personal income by households.

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Employment, asset income, housing, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

329 STILWELL, Frank (1976), 'Sharing the economic cake: inequality in income and wealth in Australia' in Theo VAN DUGTEREN (ed.), **Who Gets What? The Distribution of Wealth and Power in Australia.** Proceedings of the 42nd Summer School of the Australian Institute of Political Science, Sydney, Hodder and Stoughton, 82-129. Discussion by Ian MACPHEE and others.

The paper deals with what determines the degree of inequality in the distribution of income and wealth in Australia, to what extent the degree of inequality is subject to modification by government policies, how inequality is legitimised by social conventions and institutions, and the consequences for social and political stability in Australia. Some available data on income redistribution are reviewed and the 'myth of classlessness' is discussed.

FACTORS AFFECTING DISTRIBUTION: Class, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers, JUSTICE.

330 STILWELL, Frank (1980), 'Equality' in J. NORTH and P. WELLER (eds) **Labor: Directions for the Eighties,** Sydney, Ian Novak, 112-30.

The chapter discusses several aspects of inequality including inequality of wealth and of income. The author quotes studies by a number of authors (Groenewegen, 1972, q.v., and 1975, q.v.; Raskall, 1978, q.v.; Embury and Podder, 1975; Bentley, Collins and Drane, 1974, q.v.; and the Commission of Inquiry into Poverty 1975). He concludes that 'while it is true that inequalities of wealth and income are the primary dimensions of inequality in a class-structured society, other inequalities interact with these and further entrench the problem'.

JUSTICE.

331 STILWELL, Frank J.B. (1980), 'Social inequality', in Frank J.B. STILWELL (with contributions by Graham LARCOMBE), **Economic Crisis, Cities and Regions,** Sydney, Pergamon Press, 127-39.

This chapter discusses the measurement of social inequality and the alternative indicators of inequality which can be used: per capita income, standards of health, education, housing, access to social services or peoples perception of their own living standards. The dangers of using data analysed according to region are discussed. The main danger is the 'risk of placing too much emphasis on the territorial dimension of inequality', which could 'divert attention from the non-spatial origins of inequality'. Tables are presented showing incomes in the sub-regions of Sydney and its environs in 1976 (median household income, median per capita income, median male income, and the proportion of households with income over \$18 000) and, for the same regions, an index of occupational structure, employers as a percentage of the workforce, percentage of the population with tertiary education, percentage population from non-English speaking nations, median weekly rent, percentage dwellings owner-occupied, average number of persons per room, percentage dwellings with no car and percentage dwelling with two or more cars. Other factors are mentioned in the text, including unemployment and electoral politics. Finally the author discusses the implications for local government finance and the percentage of incomes necessary to provide, through rates,the necessary services provided at local level, and the possibility of inequalities in the standard of these services.

DEGREES OF INEQUALITY, GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Class, education, housing, employment, social wage.

332 STILWELL, F.J.B. (1981), 'Equity: an economist's view', in P.N. TROY (ed.) **A Just Society: Essays on Equity in Australia,** Sydney, George Allen and Unwin, 80-96.

'The distribution of income and wealth must have a central place in any discussion of equity, since it is closely linked with inequality of opportunity and with inequality of access to the goods generated by economic growth.' 'The first section of this chapter deals with the discipline of economics itself, exploring the problems in applying conventional economic analysis to equity consideration. The second section looks at the Australian economy from the viewpoint of a political economist concerned with equity. The third section studies the role of the state in relation to equity: what role has it played in offsetting (or intensifying) the inequitable outcomes of the market economy? The final section poses more general questions about equity and capitalism.'

JUSTICE.

333 STILWELL, Frank (1986), **The Accord ... And Beyond. The Political Economy of the Labor Government,** Sydney, Pluto Press, 194pp.

This book is concerned with the Accord, which has been the 'cornerstone' of economic policy in the Labor Government. The development of the Accord is described and competing interpretations are discussed. A central feature of the Accord, the prices and incomes policy, is also explored. This section includes a discussion of the distributional effects of Accord. It is argued that 'there has been a major change in distributional shares between capital and labour, part of which has actually taken place at the expense of the aggregate value of wage earnings'. Among those deriving income from wages and salaries, there has been relative stability in relativities, although there have been some major changes which are discussed. It is also argued that 'by defending **relativities,** the Accord ensures that the **absolute** value of the wage increases will be higher for the workers in the higher income brackets'. Inequality between the employed and the unemployed is also discussed. The book includes chapters on budgetary policy, tax reform and industry policy as well as putting forward some explanation for 'what went wrong', and some suggestions for a 'radical alternative'.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, employment.

334 STILWELL, Frank (1989), 'I'm alright, mate', **Australian Left Review,** 109, 22-7.

'The focus of this article is the tension between the government's economic policies and the objectives of social reform.' It includes an analysis of 'the dimensions of inequality', including maps of the Sydney area showing changes in the proportions of high income and low income families in the population, betweem 1981 and 1986. Other dimensions of economic inequality discussed are gender and ethnicity. The author identifies and discusses four causal factors, generating inequality; first, the labour market, real wages and unemployment; second, housing costs; third, the social wage; and fourth, taxation policies. 'Despite its economic problems Australia remains an affluent society, but one in which the fruits of affluence are increasingly unevenly distributed. To have presided over this period of economic polarisation is an uncomfortable "achievement" for the ALP.'

CHANGES OVER TIME, GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Economic conditions, employment, housing, social wage, FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

335 STROMBACK, Thorsten (1984), **The Earnings of Migrants in Australia,** Conference Paper No. 46, Canberra, Bureau of Labour Market Research, 53pp.

'The level of earnings attained by migrants is perhaps the single most informative measure of their success on the Australian labour market.' Other variables contain less information and may not necessarily be taken as indicators of success. 'By comparing the earnings of migrants with Australians who have similar endowments we get a better idea of how migrants fare.' The paper uses a model based on the 'human capital theory of earnings', which is described here; the paper also examines how alternative specifications account for differences in individual earnings. The results indicate that 'migrants from English speaking countries had a return to education and earnings-experience profile similar to Australians'. Differences related to country of origin are discussed. Gender differences are also examined.

FACTORS AFFECTING DISTRIBUTION: Education, gender, IMMIGRANTS.

336 SUTCLIFFE, Jas. T. (1926), **The National Dividend,** Economic Series No. 1, Melbourne University Press, 70pp.

The book is subtitled 'An Enquiry into the Amount of the National Dividend of Australia and the Manner of its Distribution'. The author defines the 'national dividend' and describes two methods used to determine it: the aggregate industry method and a method which adds together the income of every individual receiving income. This latter method uses data from income tax returns supplemented by information published by the Commonwealth Statistician about wage rates (in order to estimate incomes of those not furnishing income tax returns). Estimates are made by both methods and a comparison is made for some years. A similar comparison is made for the USA. Results are also compared with those obtained in the **Census of Wealth and Income, 1915**. Average income per head of population, pre-war, is estimated for a number of countries. Australia ranked second. The share of the national dividend received by wage and salary earners and the distribution for the years 1910-1 to 1923-4 are tabulated. Comparison is made with similar data for the United Kingdom and for the United States. The distribution of income to all breadwinners (i.e. not only wage and salary earners) is more difficult to estimate, but a method is described. The results show 'that for 1920-1, 58.7 per cent of the breadwinners received less than £200 per year, and that 95.64 per cent received less than £500 per year. The remaining 4.36 per cent of income receivers however, received 21.76 per cent of the total income.' Lorenz curves are drawn for Australia and for the USA. Of the national income in 1920-1, '80.90 per cent was received as the result of personal exertion of work and 19.10 per cent in respect of interest and rent from property'. Inequalities in the ownership of private wealth as between wage and salary earners and others are detailed. Estimates of expenditure are made for the year 1920-21. 'They show that for a very large proportion of the people the income received is barely sufficient to provide for maintenance on a moderate standard of life.'

A preface by Professor BOWLEY of the London School of Economics draws attention to the difficulties of defining 'income' and the problems involved in counting twice money taken by taxation from one group of citizens and then paid as income to others (pensioners etc.).

METHODOLOGY, DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, CHANGES OVER TIME, WEALTH, WAGES.

337 TACHIBANAKI, Toshiaki (1981), 'A note on the impact of tax on income redistribution', **Review of Income and Wealth,** 27(3), 327-32.

This note concentrates on the problem of income redistribution policy and attempts to evaluate the tax policy of OECD countries from an income redistribution point of view. It first presents 'the coefficient of income redistribution for various countries. Secondly, the source for the contribution to the actual income redistribution policy is examined. The contribution due to tax progressivity and to the average tax rate is estimated numerically. Thirdly, several comments on income redistribution policy are made on the basis of the empirical results.' Australia is one of the countries included in the comparison. It is shown that it does not have a strong income redistributive tax policy. Neither tax progressivity nor the average tax rate contributes to redistribution. The author cautions that it is 'slightly risky to evaluate the overall effect of income redistribution only by tax policy and income inequality. As noted previously, public expenditures also have a redistributive impact.'

DEGREES OF INEQUALITY, INTERNATIONAL COMPARISONS, FACTORS AFFECTING REDISTRIBUTION: Taxation.

338 TARLO, Keith (1982), 'Health finance: cutback or redistribution', **Journal of Australian Political Economy,** 11, January, 5-25.

The article discusses the effects of changes in hospital financing and medical insurance arrangements made in 1981. A higher proportion of the total health bill will be financed via regressive insurance premiums and tax rebates instead of progressive taxation. A table presents data on redistribution of income comparing insurance premiums with a proportional tax for the year 1981-82. The author argues that there will be inequitable results from the changes, resulting in a redistribution of both private income and access to services (i.e. social wage) from the poor to the rich.

FACTORS AFFECTING DISTRIBUTION: Social wage.

339 TAYLOR, Richard (1984), 'Income from private medical practice in Australia 1966-1978. An analysis of taxation statistics', **Community Health Studies,** 8(1), 1-10.

'The evidence from taxation statistics indicates that private medical practitioners in Australia have improved their income relative to most other professions since 1966-67, receiving three to four times the income of salary and wage earners by the late 1970s. Evidence concerning the frequency distribution of high income earners in various occupational groups also suggests that private medical practitioners are the highest paid group in Australia.' 'Data on average net and estimated average gross annual income per doctor indexed by the Consumer Price Index, Average Weekly Earnings and the Medical Fees Index indicate a peak income in 1975-76, mainly as a result of medical fee rise.' The article also examines the relationship of net income to gross income, expenses and wages paid and discusses the possible application of tax avoidance schemes.

DEGREES OF INEQUALITY, CHANGES OVER TIME, PROFESSIONAL GROUPS.

340 TERNOWETSKY, Gordon W. (1979), 'Taxation statistics and income inequality in Australia: 1955-56 to 1974-75', **Australian and New Zealand Journal of Sociology,** 15(2), July, 16-24.

'This paper examines income inequality in Australia from 1955-56 to 1974-75. While there are a number of problems with the primary source of data used (taxation statistics), it is still clear that there is considerable income inequality in Australia. Some redistribution has occurred during the twenty years studies. These changes do not, however, support the "development - equality" thesis. Redistribution from market mechanisms favours those who already receive more than an average income. The level of inequality between the most and least advantaged remains intact or increases. Each year taxation reduces the magnitude of income inequality. Over these twenty years, however, taxation does not offset the inequality that increases with economic growth.' Several measures are used and they support contemporary Marxist and Socialist commentaries that the income redistribution which occurs under capitalism has little impact on the inequality that exists between the top and bottom earners.

DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

341 TEW, Marjorie (1951), **Work and Welfare in Australia,** Melbourne University Press, 236pp.

'This book is concerned with problems of social economics as they refer to Australia.' Chapter 9 is concerned with 'the effect of taxation on the distribution of incomes and wealth'. It uses data from the Commonwealth White Paper

National Income and Expenditure 1948-49 and from various **Finance Bulletins,** to show that 'the richest 3 per cent of the taxpayers provided more than 34 per cent of the total tax, more tax in fact than the poorest 70 per cent', and that 'not only does the government reduce inequalities in incomes through its income taxes, but also, by taxing wealth as it passes at death, it mitigates inequalities in the holding of property, which is one cause of unequal incomes.'

DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, WEALTH.

342 THUROW, Lester C. (1981), 'Equity, efficiency, social justice, and redistribution', in OECD, **The Welfare State in Crisis,** Paris, Organisation for Economic Co-operation and Development, 137-50.

The paper is a discussion of social justice and income redistribution in the United States of America, but includes some data comparing economic performance and redistributional effort in a number of countries, including Australia. The author argues that there is 'no relation between the amount of inequality that different countries have been willing to tolerate and their economic performance'.

INTERNATIONAL COMPARISONS, JUSTICE.

343 TREADGOLD, Malcolm (1980), 'Aboriginal incomes: an aggregative analysis of the 1976 Census results', **Australian Bulletin of Labour,** 7(1), December, 31-46.

The paper uses the answers to a question on income in the 1976 Census, together with other census data 'to undertake an aggregative assessment of the economic position of the Aboriginal and Torres Strait Islander population relative to that of the Australian population as a whole, and to attempt to quantify the influences of some of the more immediate factors contributing to this position.' Subject to some processing procedures and assumptions described in the article, 'the 1976 Census data confirm that Aborigines are a severely depressed group. Their per capita income is only about half that for the Australian population as a whole. In part, this is a reflection of the relative youth of the Aboriginal population and, more particularly, the large number of children dependent on the incomes of the population of working age. However, even for persons aged 15 years and above, the Aboriginal mean income is less than two-thirds of the Australian mean.' The paper examines some determinants of inequality, such as employment status, occupation, age and educational qualifications. Preliminary investigations also 'suggest that there are substantial differences in mean incomes of Aborigines among states', which may be associated with inter-state differences, urban/rural differences and, 'within rural areas, among regions of varying geographical remoteness from European-oriented centres of economic activity.'

GEOGRAPHICAL DIFFERENCES, FACTORS AFFECTING DISTRIBUTION: Age, education, employment.

344 TREGILLIS, Shane (1987), 'Who lives where?', **Australian Society,** 6(7), August, 31.

Figures on Australian housing from the 1981 census are presented, showing that those on low incomes often have high housing costs. Charts show housing tenure by weekly income, in 1984, and the proportion of low income tenants in various population groups who spend more than 20 per cent of their income on rent.

FACTORS AFFECTING DISTRIBUTION: Housing.

345 TULLOCK, Gordon (1981), **The Rhetoric and Reality of Income Redistribution,** Sydney, The Centre for Independent Studies, 21pp.

The theme for this paper is that a great part of the argument for income redistribution is wrong. The author argues that of the motives which lead to income redistribution the most important 'is simply a desire on the part of the potential recipients of the redistribution to receive it'. The others are the 'charitable motive', the 'envy motive', the 'insurance motive' and the 'selfish motive'. Complicated 'political difficulties' result. The inefficiency of the redistribution which results is also described. The author also comments on international aid (another form of redistribution), and the redistribution which occurs through the payment of people such as government officials and academics 'whose salaries are paid for out of coerced taxes'. 'Though we may personally benefit from these transfers, they are all negative sum games and extremely negative sum games. Society as a whole is injured and we are injured by the whole web of them. We would be better off if we could get rid of them. If that is not possible, let us at least speak the truth about them.'

JUSTICE.

346 UNITING CHURCH IN AUSTRALIA (1988), **Economic Justice - the Equitable Distribution of Genuine Wealth,** Sydney, Assembly Social Responsibility and Justice Committee, Uniting Church in Australia, 15pp.

This discussion paper, prepared by the Uniting Church of Australia's Assembly Social Responsibility and Justice Committee, has several functions: to take up issues of economic justice, to provide background information for the 1988 Assembly, to contribute to the debate about Australia's economy and to be 'a step in the process of ongoing reflection and dialogue within the church on economic justice issues'. 'The distribution of income and financial assets in Australia is inequitable. A small proportion of the population have control over most of the income and assets, while the majority of the population has limited access to such things.' The paper points out that there has been a 15 per cent increase in real terms in the GNP per head of population over the last decade, but it is not spread evenly and more live in poverty than a decade ago. Some figures are given and the role of government policy is discussed.

JUSTICE.

347 VANN, Richard J. (1987), 'Income as a tax base', in Richard E. KREVER (ed.), **Australian Taxation: Principles and Practice,** Melbourne, Longman Professional, 62-79.

The book is intended to present material on Australian tax law for students and practitioners. The chapter discusses the use of income as the base for the major tax, and the difficulties encountered. It presents an 'economists' definition of income' and describes the concept of taxable income, discussing the differences between the two, the significance of tax deductions, the concept of 'realisation' or the conversion of assets to income, tax accounting, the treatment of savings and the use of an expenditure tax base, and the effect of inflation on income and expenditure tax bases.

FACTORS AFFECTING REDISTRIBUTION: Taxation.

348 VINCENT, D.P. (1976), 'Economic aspects of farm poverty', **Australian Journal of Agricultural Economics,** 20(2), August, 103-18.

'The results of the Henderson Poverty Inquiry's 1973 farm household income survey are discussed and supplemented by income distributions based on taxation returns from 1968-69 to 1972-73. It is concluded that much low income "poverty" is temporary, being the product of the instability of agriculture. A case is made for the inclusion of wealth in farm and non-farm welfare comparisons. Proposals aimed at directly increasing incomes are discussed and hypothetical income distributions are presented to indicate the impact of the Henderson Inquiry's guaranteed income scheme on farm income distributions.'

DEGREES OF INEQUALITY, RURAL.

349 VINSON, T. and HOMEL, R. (1976), **Indicators of Community Well-being,** Department of Social Security, Canberra, AGPS, 70pp.

The report sets out to develop and estimate social indicators which can be used to assess the well-being of the population in regions of New South Wales. The indicators used are physical and mental health (perinatal mortality, reported hepatitis, pedestrian injuries/fatalities, mental hospital admissions, suicides and a mortality ratio), income and economic self-sufficiency (pre-tax income, emergency cash assistance, unemployment and rate of legal representation), social disorganisation (Summary Court appearances, Higher Criminal Court trials, prisoners, juvenile appearances under the Crimes Act, Summary Courts with a record, Higher Criminal Courts with a previous record, mean blood alcohol, and section 5 56A outcomes), family stability (permanently separated/divorced, divorce petitions, child care/protection orders) and educational disadvantage (highest level of schooling, primary school non-attendance, special activity classes and intelligence assessment). The State is divided into 72 regions and a 'risk score' is found for each, using those indicators. The authors comment on the inadequacy of social statistics and explain how they reach their results. For income, data has been used from the Datex Co-operative Ltd., and, more usually, from the Australian Planning and Systems Company (APASCO), both of which have developed methods of estimating incomes for small areas.

GEOGRAPHICAL DIFFERENCES.

350 WARREN, Neil A. (1979), 'Australian tax incidence in 1975-76: some preliminary results', **Australian Economic Review,** 3rd Quarter, 19-30.

This article reports on some of the first results obtained from an estimation of Australian tax incidence across household income groups in Australia in 1975-76. Previous empirical studies are described and the methodology, data sources and limitations of this study are discussed. The results indicate that the 'incidence of all taxes across household income groups, irrespective of the definition of income, is proportional for all except the extremes of the income range'. 'Personal income tax is the only tax with any degree of progressivity, and has the important role of offsetting the regressivity of indirect taxes. Both State and local taxes are consistently regressive, and it is only federal taxation that exhibits any degree of progressivity. Excise duties, although regressive overall, appear to fall more heavily than might be expected on the middle income groups.' 'Differential incidence calculations have shown that if all indirect taxes and company tax were replaced by the broad based single rate consumption tax, the lower income households would gain considerably, the higher income groups would gain to a lesser extent, and the middle income range would incur increased burdens.'

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

351 WARREN, Neil A. (1982), **Who Bears the Australian Tax Burden?,** Working Paper No. 40, Centre for Applied Economic Research, Kensington, University of New South Wales, 51pp.

This paper evaluates 'the distributional impact of taxes in Australia on a range of household groups.' The problems encountered in the study are related to the need to determine each group's tax payment and to assess their ability to pay taxes. The paper also discusses methods of evaluation designed to discover 'whether the tax system achieves its distributional objective'. The paper uses Australian Bureau of Statistics survey data, adjusted to reflect the trends evident at the national level. It considers some 56 categories of tax including 12 taxes levied directly on the household sector. The measures adopted show only 'how the current tax system differs from proportionality. In this regard the Australian tax system in 1975-76 was seen to have a widely different impact on various demographic-economic groups. Some of the results are a cause for concern such as the degree of progressivity of taxes on single adults and pensioner couples.' The paper does not examine changes since 1975-76.

METHODOLOGY, FACTORS AFFECTING REDISTRIBUTION: Taxation.

352 WARREN, Neil A. (1984), 'Income or expenditure based taxes: maybe it's time for some real reforms', **Growth 34, Taxation Reform,** July, 7-19.

The author argues that the Australian taxation system in Australia is not equitable, that personal income tax has become, 'basically a compulsory tax for wage and salary earners and a voluntary tax for the rest'. 'A case is argued that this tax should be replaced by a personal expenditure tax.'

FACTORS AFFECTING REDISTRIBUTION: Taxation, JUSTICE.

353 WARREN, N.A. (1986), 'The distributional impact of changing the tax mix in Australia: some preliminary findings', in John G. HEAD (ed.), **Changing the Tax Mix,** Papers presented at a conference organised by the Centre of Policy Studies, Monash University, Sydney, Australian Tax Research Foundation, 115-32; also published (1985) as Working Paper No. 79, Centre for Applied Economic Research, Kensington, University of New South Wales, 31pp.

The paper focuses on the distributional impact of some selected changes to the current goods and services taxes and to the personal income tax schedule. Basic facts on the current Australian sales tax and personal income tax systems are presented. Estimates of the distributional impact of several alternative sales tax packages and of the distributional impact of several different personal income tax schedules are made. The implications of the results are discussed. The author argues that the need for a 'package concept' of reform is crucial. 'In the past, tax reform in Australia has been approached in an **ad hoc** way, individual components of the tax system generally having been tinkered with one at a time. The outcome of this process is a tax system much in need of reform. The same argument is broadly true of the social welfare system. Particular benefits have been modified and new benefits introduced without adequate consideration being given to the resulting structure of the overall system of taxes and benefits.' It is important therefore, 'that the objectives of the tax and welfare systems are highlighted and that a package is developed which will substantially achieve those objectives', with an understanding of the way in which the systems interact so that compensation mechanisms can be effective. The author also argues that his results indicate 'that exempting essentials from the sales tax bases might not bring forth the distributional gains popularly anticipated.'

DEGREES OF INEQUALITY, FACTORS AFFECTING REDISTRIBUTION: Taxation, welfare transfers.

354 WARREN, N.A. (1986), **Changes in Australian Tax Incidence Between 1975-76 and 1984-85,** Working Paper No. 94, Centre for Applied Economic Research, Kensington, University of New South Wales, 50pp.; also in John G. HEAD (ed.) **Australian Tax Reform: In Retrospect and Prospect,** Conference Series: No. 8, Sydney, Australian Tax Research Foundation, 445-73.

'This paper has a modest goal; to throw a little light on the rhetoric filled area of tax equity.' The objective is to attempt 'to provide some insight into the broad direction of changes in tax incidence from observable information, and subsequently, qualify this with what is in essence anecdotal evidence'.

'Section 1 details the methodological issues encountered by any study intent on addressing the positive problem of empirically measuring the distributional impact of taxation on the household sector.' 'Section II details the particular methodology adopted in this study to estimating tax incidence and the qualifications which must accompany its practical application. Section III notes the data sources to be utilized along with their limitations. Intertemporal tax incidence studies may overcome some of the criticisms levelled at "snapshot" studies but they have a particular weakness. Much could have happened structurally to cause the differences that are observed in the tax incidence distribution.' The causes for these structural changes are discussed and their effects estimated. The results indicate that in 1984-5 the personal income tax, while nominally progressive, was not in effect progressive across all household income ranges. They show that there is some tentative evidence for the widely held view that in recent years it has been the middle income earner who has borne most of the increase in the tax burden'.

METHODOLOGY, DEGREES OF INEQUALITY, CHANGES OVER TIME, FACTORS AFFECTING REDISTRIBUTION: Taxation.

355 WARREN, Neil (1987), **The Distributional Impact of a Change in the Tax Mix in Australia,** Research Study No. 6, Sydney, Australian Tax Research Foundation, 123pp.

The paper examines 'the case for a mix of indirect and direct taxes in any tax system'. Beginning with the recent developments in optimal tax theory, an attempt is made 'to determine the basic case for a move to indirect taxes, the form any indirect tax should take, and what implications this has for the tax and welfare reforms in Australia. The ultimate objective of this paper is to propose a tax and welfare reform package for Australia which is defensible in theory, realistic in its approach and recognises that constructive debate in this area demands maximum information.'

FACTORS AFFECTING REDISTRIBUTION: Taxation.

356 WESTERN, John S. (1983), **Social Inequality in Australian Society,** Melbourne, Macmillan, 385pp.

Chapters in this book are concerned with class, status and party, and inequality associated with gender, Aboriginality, ethnicity, and age. Income and wealth inequality are discussed in the context of class and gender in particular. After reviewing a number of studies, the author concludes that 'income and wealth differentials are present in Australia, and the pattern is not too dissimilar from that found in other technologically advanced capitalist societies'. He also finds that 'financial resources are markedly class related and, to the extent that financial resources determine lifestyle and life chances, it is clear that these matters are also class related'. Data are also presented relating to women's wages and the discrepancies between them and male wages even where other characteristics, such as age, education and occupation, are controlled.

FACTORS AFFECTING DISTRIBUTION: Class, gender, WAGES, WEALTH.

357 WHEELWRIGHT, E.L. (1972), 'Concentration of private economic power', in John PLAYFORD and Douglas KIRSNER (eds), **Australian Capitalism: Towards a Socialist Critique,** Ringwood, Penguin, 65-83.

'The meaning of the term "concentration of private economic power"...is that in an economy whose heartland is dominated by the big corporations, many important decisions are concentrated in a few hands.' The paper looks at some studies showing that a few top companies employ a high proportion of the workforce; that there is a high degree of monopoly power in Australian industry; that the powerful companies are able to influence government policy relating to restrictive practices; that there are interlocking directorates' controlling the powerful companies, that is, a few directors hold office in a large number of companies (with consequent income from fees); and that these directors exercise great economic and political power. The author questions 'the rationale of the wealth which accrues to the owners of the large corporation, which by a combination of private and public power can target for high rates of return', commenting on the role of inheritance in this concentration of economic power.

FACTORS AFFECTING REDISTRIBUTION: Inheritance, WEALTH, JUSTICE.

358 WHEELWRIGHT, E.L. and MISKELLY, Judith (1967), **Anatomy of Australian Manufacturing Industry,** Sydney, The Law Book Company, 433pp.

'Large companies constitute the hard core of a modern capitalist economy, they are institutions of fundamental importance in the economic, political and social life of the nation...Their economic importance is illustrated by the fact that, of the taxable income, and net tax paid by over one hundred thousand companies recorded in the 1963-64 taxation statistics, less than seven hundred large companies accounted for more than half. Also, it has been estimated that in 1964 the largest 602 companies employed almost one quarter of the total Australian work force of about four and a half million people.' The book is subtitled 'The ownership and control of 300 of the largest manufacturing companies in Australia'. It attempts an analysis of their ownership by examination of the twenty largest shareholdings of each. Ownership was found to be very highly concentrated in a few hands. The total of the twenty largest holdings of each country was 3,683 out of nearly 800,000 shareholdings, yet they accounted for 57.7 per cent of the total funds. The great majority of relatively small shareholders owned less than half the equity.

WEALTH.

359 WHITEFORD, Peter (1988), **Income Testing the Tax Threshold,** SWRC Discussion Paper No. 6, Kensington, Social Welfare Research Centre, University of New South Wales, 38pp; also appears as 'Taxation reform and the tax threshold' in John G. HEAD (ed.) **Australian Tax Reform in Retrospect and Prospect,** Conference Series No. 8, Sydney, Australian Tax Research Foundation, 219-47.

'This paper discusses some recent proposals to replace the tax threshold or zero step in the income tax rate scale with income-tested tax rebates. The paper outlines the rationale for current arrangements and shows how they have developed over the past twenty years. The paper then evaluates the specific proposals made most notably by the Centre of Policy Studies at Monash University, in terms of their redistributive effects and implications for effective marginal tax rates and work incentives.'

FACTORS AFFECTING REDISTRIBUTION: Taxation.

360 WHITFIELD, Keith (1987), **The Australian Labour Market, Perspectives, Issues and Polices,** Sydney, Harper and Row, 230pp.

'A major theme of the book is that labour economists have developed a wide range of theories to explain how the labour market works and why labour market phenomena take the forms they do.' The objective of the chapter on wages policy is to examine the main debates between labour economists. One section examines the distinguishing characteristics of the Australian system of wage fixation. The following section discusses the economic consequences of Australian wage fixation including the effects of arbitration, the compression of wages and wage rigidity.

WAGES.

361 WILD, R.A. (1978), **Social Stratification in Australia,** Sydney, George Allen and Unwin, 202pp.

The book begins by discussing theories of social stratification. The author argues 'that the meanings attached to the natural differences of age, sex and race in Australian society are derived from, and explainable by, the core social inequalities of class, status and party.' Income and wealth inequality are related to class and status, and the chapter on class briefly reviews some of the studies on the subject. The author concludes that, 'the degree of inequality in income and wealth in Australia has remained stable since 1945. There has not been any major redistribution of personal income and wealth, and consequently Australia's upper class remains in control of a substantial proportion of the country's financial resources'.

FACTORS AFFECTING DISTRIBUTION: Class, JUSTICE.

362 WILLIAMS, Ross A. (1983), 'Ownership of dwellings and personal wealth in Australia', **Australian Economic Review,** 62, 2nd Quarter, 55-62.

'This article presents time-series estimates of the market value of dwellings owned by households. Two separate sets of calculations are involved. Firstly, estimates are made of the total stock of dwellings owned by persons, whether owner-occupied or not, and Census data are used as benchmarks. Secondly, a series for the average market price of dwellings is calculated which is an approximation but is sufficient to indicate general movements.'

Estimates of total personal wealth are made, movements in personal wealth and its composition from 1966 are examined and the ratio of net wealth to annual disposable income is also estimated.

CHANGES OVER TIME, FACTORS AFFECTING DISTRIBUTION: Housing, WEALTH.

363 WITHERS, Glenn (1986) 'Australian wages and labour market adjustment: a comparative international assessment', in John NILAND (ed.), **Wage Fixation in Australia,** Sydney, Allen and Unwin, 243-55.

'Wage determination and labour market adjustment under alternative wage fixing systems are reviewed. It is found that the Australian arbitration based wage fixing system does not produce a more egalitarian wage structure than the other systems examined. Similarly the Australian system does not produce relative wage flexibility divergent from a range of overseas systems. Indeed, no system examined is found to be particularly responsive to disaggregate market pressures.' Differences emerge at the aggregate wage level in the degree of flexibility. The paper outlines the scope for a wage inflation tax should consensus fail, and notes the implicit wage inflation tax already adopted under the Hawke government's Prices and Incomes Accord.

WAGES.

364 WOOD, Deborah and HUGO, Graeme (1984), **Distribution and Age Structure of the Australian Born with Overseas Born Parents,** Working Paper Series No. 69, (1981 Census Project - Paper 6), National Institute of Labour Studies Incorporated, Adelaide, Flinders University of South Australia, 41pp.

This paper is concerned with second generation Australians, that is, Australian born persons with at least one parent born outside of Australia, so identified in the 1981 Census. The paper deals mainly with age structure and their spatial distribution. Sections also 'compare their social and economic characteristics such as educational level, qualification level, occupational status and income with those of their parents and the Australian born population'. The analysis indicates that, even taking into consideration the younger age structure of the second generation, 'in most groups the proportions of the second generation in the highest income bracket are greater than the proportions of their corresponding first generation group'.

FACTORS AFFECTING DISTRIBUTION: Age, education, employment, IMMIGRANTS.

365 WOODFIELD, Alan and MCDONALD, John (1981), 'Income distribution in the Pasinetti Model: an extension', **Australian Economic Papers,** 20(36), June, 104-14.

The article is concerned with the distributional aspects of savings from wage earnings and from profit earnings. The long-run equilibrium share of wages and profits in total income is examined.

A comment on this paper, by Mauro BARANZINI appears in **Australian Economic Papers** 1982, 21(38), June, 200-06 and a reply from the authors is on the following pages, pp.207-13.

FACTORS AFFECTING DISTRIBUTION: Asset income, WAGES.

366 YATES, Judith (1981), **An Analysis of Asset Holdings in Australia by Income Class,** Working Papers in Economics No. 53, Department of Economics, University of Sydney, 50pp.

'The approach taken in this paper to determine the relationship between the composition and size of asset holding and income is to use the sample survey method.' The deficiencies of this method are discussed. The surveys used are: a special survey commissioned by the Committee of Inquiry into the Australian Financial System in 1980; the Macquarie Survey of Consumer Expenditure and Finances undertaken in 1966-68; an ANU Survey undertaken in 1977, based on households who had moved into or within Adelaide since 1976. The data are presented in a series of tables and graphs. Results for each survey are reported separately because they collected different information, not always comparable. The importance of asset holding in the form of equity in owner-occupied housing is shown. A very significant part of financial assets for all households is held for transaction purposes rather than for investment purposes. However, low income households hold over 50 per cent of their financial assets in savings bank deposits or cheque accounts; big income householders only hold just over 30 per cent of their financial assets in this form. A section of the paper is concerned with the 'short-run distributional impact of interest rate de-regulation given existing patterns of asset holding', and discusses the effects of interest rates on asset holding and, in particular, on home ownership.

METHODOLOGY, FACTORS AFFECTING DISTRIBUTION: Asset income, economic conditions, housing, WEALTH.

367 YATES, Judith (1982), 'An analysis of the distributional impact of imputed rent taxation', **Economic Record**, 58 (161), June, 177-89; also appears as Working Paper in Economics No. 54, Department of Economics, Sydney University.

'This paper examines the short-run distributional implications of withdrawing the implicit subsides which accrue to owner-occupiers through the non-taxation of their imputed rental income. It is argued that the distributional implications of taxing imputed income from owner-occupied housing depend on the interaction of house value, equity and income over the life cycle of the owner-occupier and that a failure to take all these factors into account could result in a policy of imputed income taxation having unintended distributional effects within the owner-occupied sector. The revenue gained from the introduction of such a policy, however, would be more than adequate to offset these effects.'

FACTORS AFFECTING DISTRIBUTION: Housing, FACTORS AFFECTING REDISTRIBUTION: Taxation.

368 YATES, Judith (1982), 'The distributional impact of interest rate regulation on the household sector', in AUSTRALIAN FINANCIAL SYSTEM INQUIRY, **Commissioned Studies and Selected Papers,** Part 4 (Miscellaneous), Canberra, AGPS, 157-245. Comment by Robert ALBON, 246-8.

This paper is part of a submission to the Australian Financial System Inquiry and is concerned 'to examine the distribution of benefits and costs among sectors and income groups arising from existing regulation and control of the financial system, and the changes in distribution which are likely to result from (a) deregulation; and (b) deregulation coupled with a shift to direct methods of assistance', but is limited to the distribution within the household sector only. The conclusions reached suggest that, although regulation may not necessarily have regressive effects, any tendency for it to be regressive is significantly affected by life-cycle factors. 'There is also clear evidence to show that regulation does result in low income groups earning a lower average rate of return on their asset holdings than high income groups.' The author also finds 'that renters have significantly fewer assets than owners.' The second section of the paper is concerned with the distributional impact of existing regulations on those households gaining access to housing finance.

FACTORS AFFECTING DISTRIBUTION: Economic conditions, housing.

369 YATES, Judith (1982), 'Tenure choice and the distribution of income; implications for housing policy', **Australian Quarterly,** 54(1), Autumn, 63-75.

The aim of this article is 'to provide an economic framework which can be used to explain why low income households have a higher propensity to rent than do higher income households. Once it is established that there is a systematic bias against low income households entering owner-occupation then it can be shown that policies favouring owner-occupation, by subsidising the accumulation of wealth for middle and high income earners, exacerbate problems of inequality.' 'The overall conclusions which can be derived from this analysis are that low income households who choose to save at some stage in their life-cycle will be helped into owner-occupation by the continuation of existing subsidies directed towards this end, by the current trend towards increasing flexibility in lending policies and by the introduction of schemes enabling them to stay in their homes when they eventually choose to dis-save. For those households for whom a decision to save remains non-optimal, however, new directions in policy need to be examined if equity across tenures is to be achieved and if the possibility that existing tenure specific policies exacerbate polarisation in society is to be removed. For these households it is essential that the subsidies available are not made dependent upon a savings decision or a decision to invest in housing but are, instead, tied to the actual consumption of housing services. Should the implementation of such a subsidy scheme be regarded as economically non-viable then equity across tenures can only be achieved by the removal of existing subsidies directed towards specific tenures.'

FACTORS AFFECTING DISTRIBUTION: Housing.

AUTHOR INDEX

followed by

KEY-WORD INDEX

AUTHOR INDEX
(All numbers refer to entry numbers, not page numbers)

KEY-WORD DEFINITIONS AND INDEX

<u>**FACTORS AFFECTING DISTRIBUTION: Education:**</u> works which are concerned with the effects of education on income distribution; works concerned with 'human capital' theory.

22, 23, 24, 25, 34, 39, 40, 42, 51, 53, 74, 75, 76, 78, 80, 118, 120, 142, 148, 183, 214, 215, 223, 235, 236, 237, 243, 244, 259, 277, 296, 304, 325, 331, 335, 343, 364.

<u>**FACTORS AFFECTING DISTRIBUTION: Employment:**</u> works demonstrating the effects of employment (or unemployment) on income distribution; also works concerned with the effects of occupation or industry of employment on the income or wage distribution.

22, 25, 26, 27, 28, 29, 30, 39, 40, 44, 45, 51, 53, 55, 76, 88, 94, 107, 111, 118, 120, 125, 128, 130, 133, 141, 148, 149, 176, 178, 179, 183, 185, 186, 188, 197, 202, 212, 213, 217, 233, 235, 243, 246, 248, 252, 265, 277, 283, 285, 286, 292, 296, 297, 298, 302, 303, 322, 325, 328, 331, 333, 334, 343, 364.

<u>**FACTORS AFFECTING DISTRIBUTION: Family:**</u> works concerned with the effects of family size or family composition on the distribution of income.

26, 28, 29, 32, 38, 40, 44, 77, 94, 120, 189, 262, 265, 277, 280, 297, 305, 322, 323, 324, 325.

<u>**FACTORS AFFECTING DISTRIBUTION: Gender.**</u>

5, 23, 24, 25, 26, 32, 38, 40, 42, 51, 54, 65, 68, 73, 74, 75, 77, 103, 120, 128, 130, 142, 148, 165, 178, 183, 184, 185, 186, 202, 212, 213, 223, 228, 231, 233, 236, 243, 244, 256, 265, 281, 283, 286, 297, 298, 317, 325, 335, 356.

<u>**FACTORS AFFECTING DISTRIBUTION: Class**</u>.

52, 53, 54, 55, 65, 119, 164, 187, 188, 214, 223, 286, 329, 331, 356, 361.

<u>**FACTORS AFFECTING DISTRIBUTION: Asset income:**</u> works dealing with the distribution of income from assets, but not the distribution of assets.

109, 202, 209, 214, 220, 221, 253, 292, 303, 328, 365, 366.

<u>**FACTORS AFFECTING DISTRIBUTION: Inheritance.**</u>

188, 214, 220, 270, 274, 306, 357.

<u>**FACTORS AFFECTING DISTRIBUTION: Housing:**</u> works dealing with the effect of home ownership or renting on the distribution of income.

11, 14, 26, 38, 44, 61, 67, 69, 167, 176, 203, 220, 247, 251, 268, 282, 283, 285, 289, 290, 294, 321, 328, 331, 334, 344, 362, 366, 367, 368, 369.

<u>**FACTORS AFFECTING DISTRIBUTION: Social wage:**</u> works showing the distributive effects of the social wage on different income groups in the society.

151, 152, 174, 177, 218, 260, 262, 264, 314, 317, 331, 334, 338.

<u>**FACTORS AFFECTING DISTRIBUTION: Within household allocation:**</u> works concerned with the allocation of income within families or households, and the effects this allocation has on inequality of income.

20, 21, 110, 112, 114, 115, 116, 212, 216, 221.

FACTORS AFFECTING REDISTRIBUTION: Taxation

FACTORS AFFECTING REDISTRIBUTION: Welfare transfers.

FACTORS AFFECTING REDISTRIBUTION: Occupational welfare: works concerned with the availability of such occupational benefits as superannuation and their effect on income distribution.

WEALTH: works concerned with the accumulation and distribution of wealth (assets, housing, property etc.).

WAGES: works concerned with the wage structure, wage fixing procedures such as arbitration, and the effects of such procedures on wage distribution and compression.

IMMIGRANTS:

RETIREES:

WOMEN:

YOUTH:

RURAL:

PROFESSIONAL GROUPS: specific groups such as doctors, company directors, as well as professionals as a group.

104, 128, 235, 325, 339.

SELF-EMPLOYED:

91, 128, 235.

JUSTICE: works which deal with the concept of 'fairness' as it applies to income or wealth distribution. This is not a comprehensive bibliography on the subject. Works are only included if they are very specific or if they would have been included in the bibliography for other sections within them.

2, 38, 47, 49, 65, 81, 83, 88, 90, 92, 97, 99, 101, 119, 131, 132, 135, 138, 160, 173, 174, 176, 177, 179, 187, 188, 215, 217, 221, 222, 226, 227, 231, 256, 286, 313, 317, 327, 329, 330, 332, 334, 342, 345, 346, 352, 357, 361.

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172, 181, 217, 270, 294.

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No.12 Adam Jamrozik and Robin Beck, **Worker Co-operatives: An Evaluative Study of the New South Wales Worker Co-operative Programme**, August 1981, 178 pp. $4

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