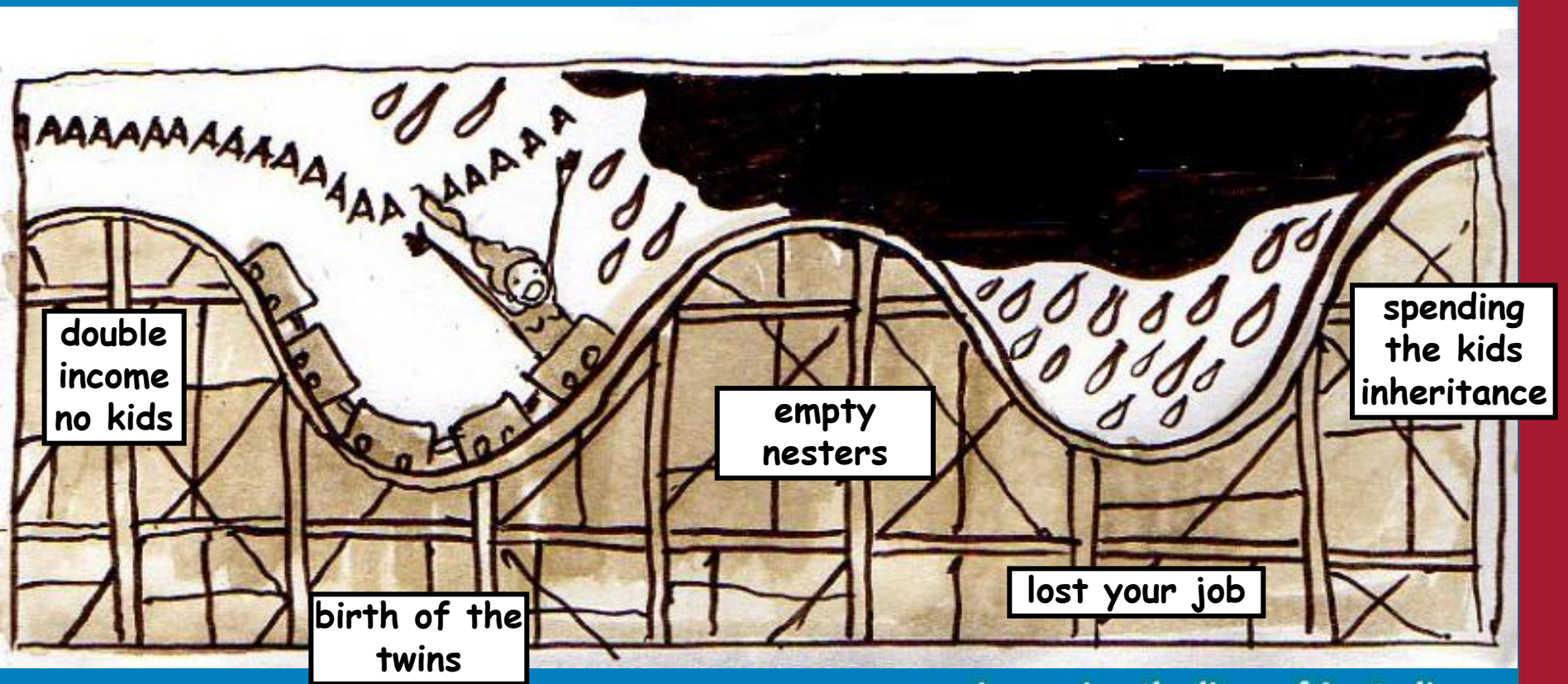




Australian Government  
Department of Families, Community Services  
and Indigenous Affairs

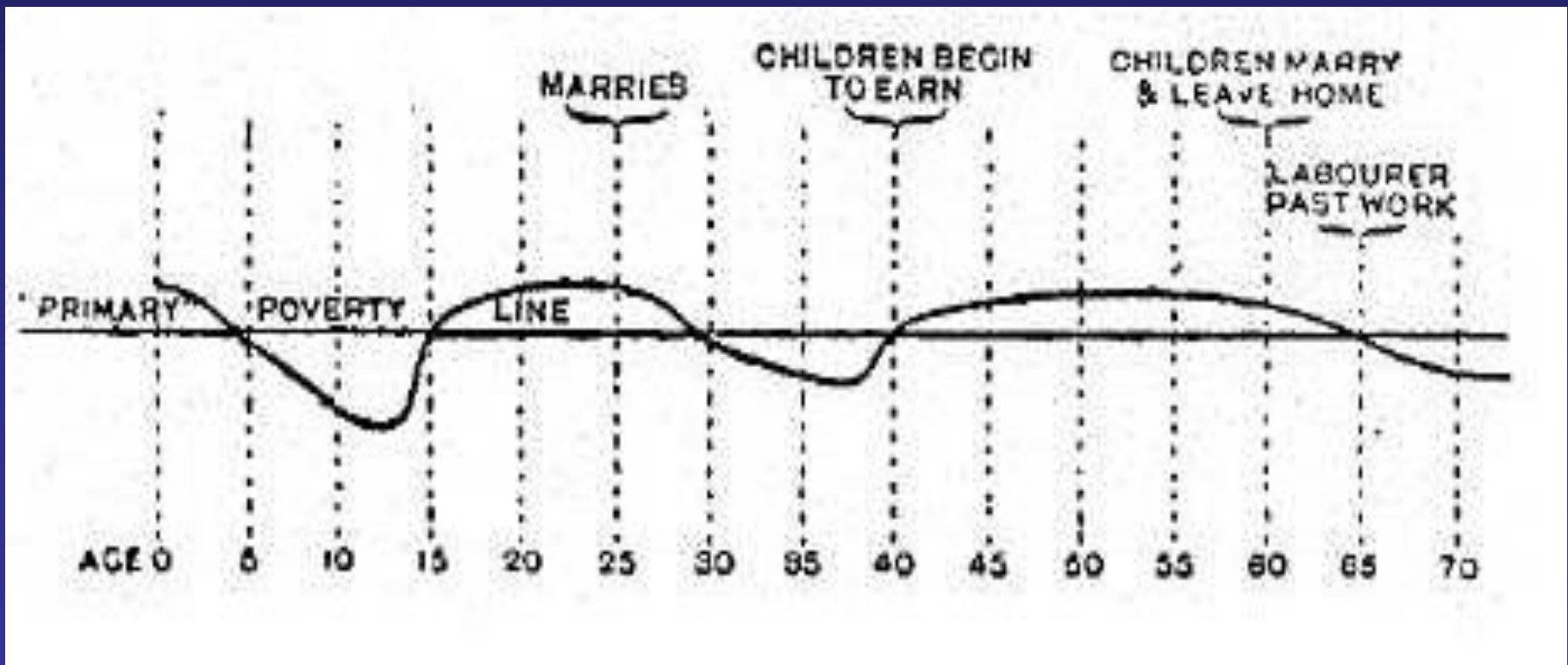
# A life course approach to analysing social policy



Improving the lives of Australians

# Rowntree's life-cycle poverty

*The life course approach focuses on the trajectories of individuals through life and on how key life events and transitions affect these trajectories.*



# How is life course thinking useful?

“A more strategic, life-cycle perspective will be needed to prevent the emergence of problems in the first place, as opposed to merely treating them”

*COAG Human Capital Reform Report,  
Feb 2006*

# Applications

- Life course thinking and modelling is another technique that can give you a window to look at policies and programs.
- It has been particularly useful in Australia to estimate retirement incomes and estimating the repayment of HECS loans.
- It could have application in housing policy, childcare policy, essentially in any area where there is a need to model cost and benefit impacts of changes to the system.

# On to some example models

- As a taste, we are going to look at some example life course models of Australian Government taxes and transfers on:
  - Middle income family
    - Homeowner and renter cases
    - Divorcing, with and without splitting superannuation assets
- First, however, we will look at some of the background data that influenced the selection and content of these models

# Australian government social cash transfers\*

Workforce Age Income Support Payments - \$20,882m

Veterans Compensation and Support - \$5,500m

Age Pension - \$22,095m

Rent Assistance - \$2,013m

Family Tax Benefit A - \$10,866m

Child Care Benefit - \$1,621m

Family Tax Benefit B - \$3,632m

Lower income

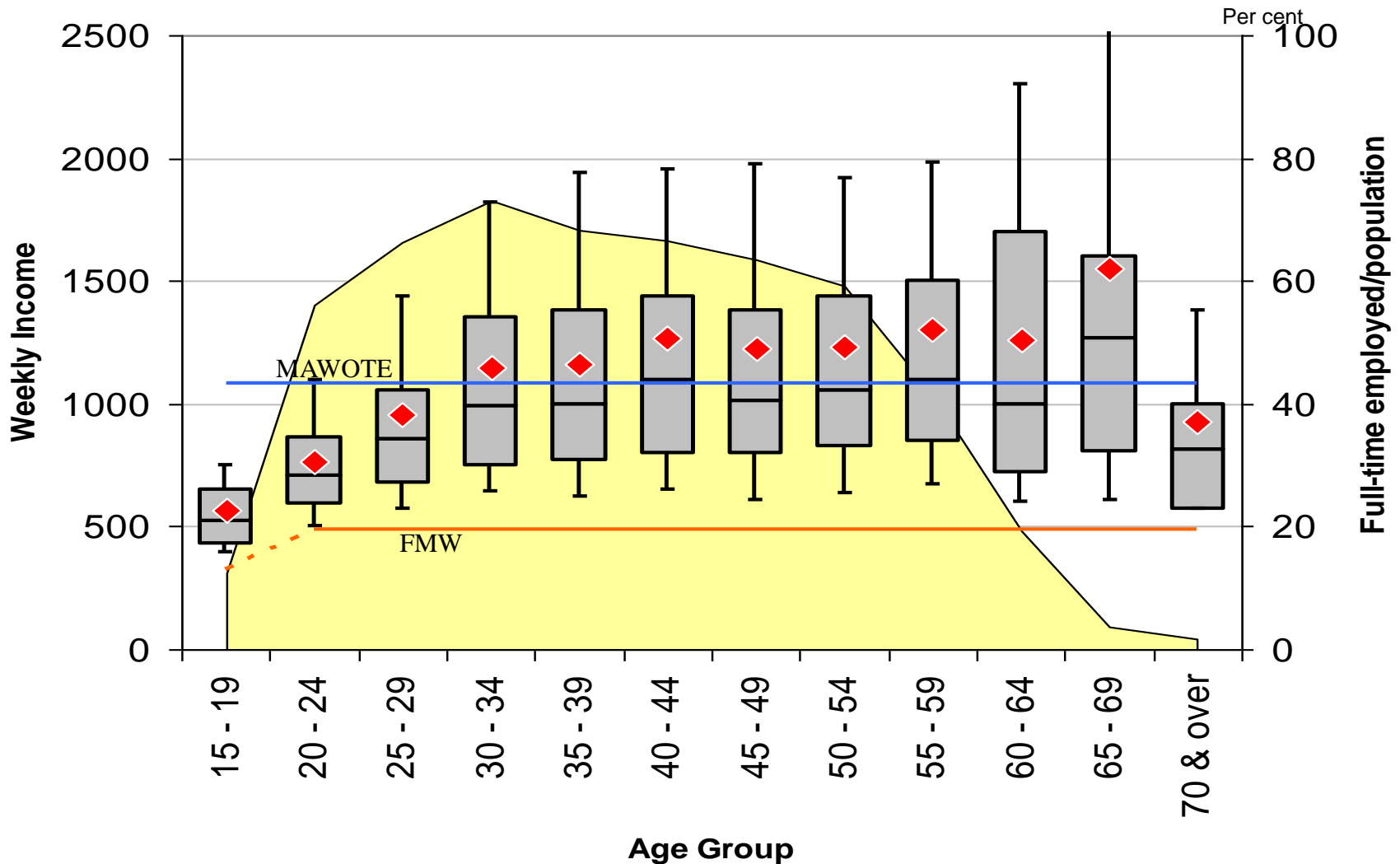
Median income

Higher income

\*Indicative only, area does not relate to expenditure

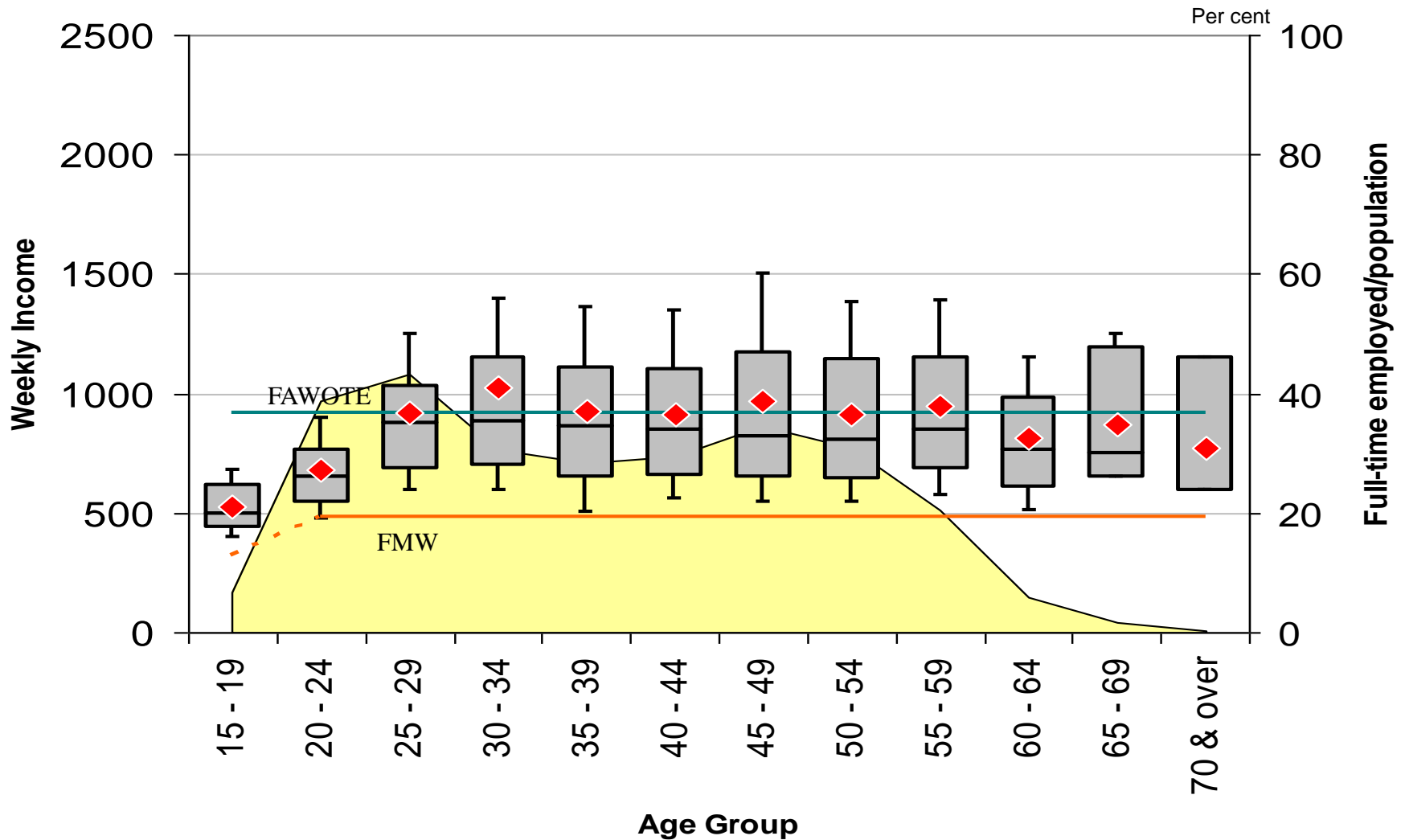
# Full-time male earnings, distribution by age group

(P10, lower quartile, median, upper quartile, P90, mean = ◆)

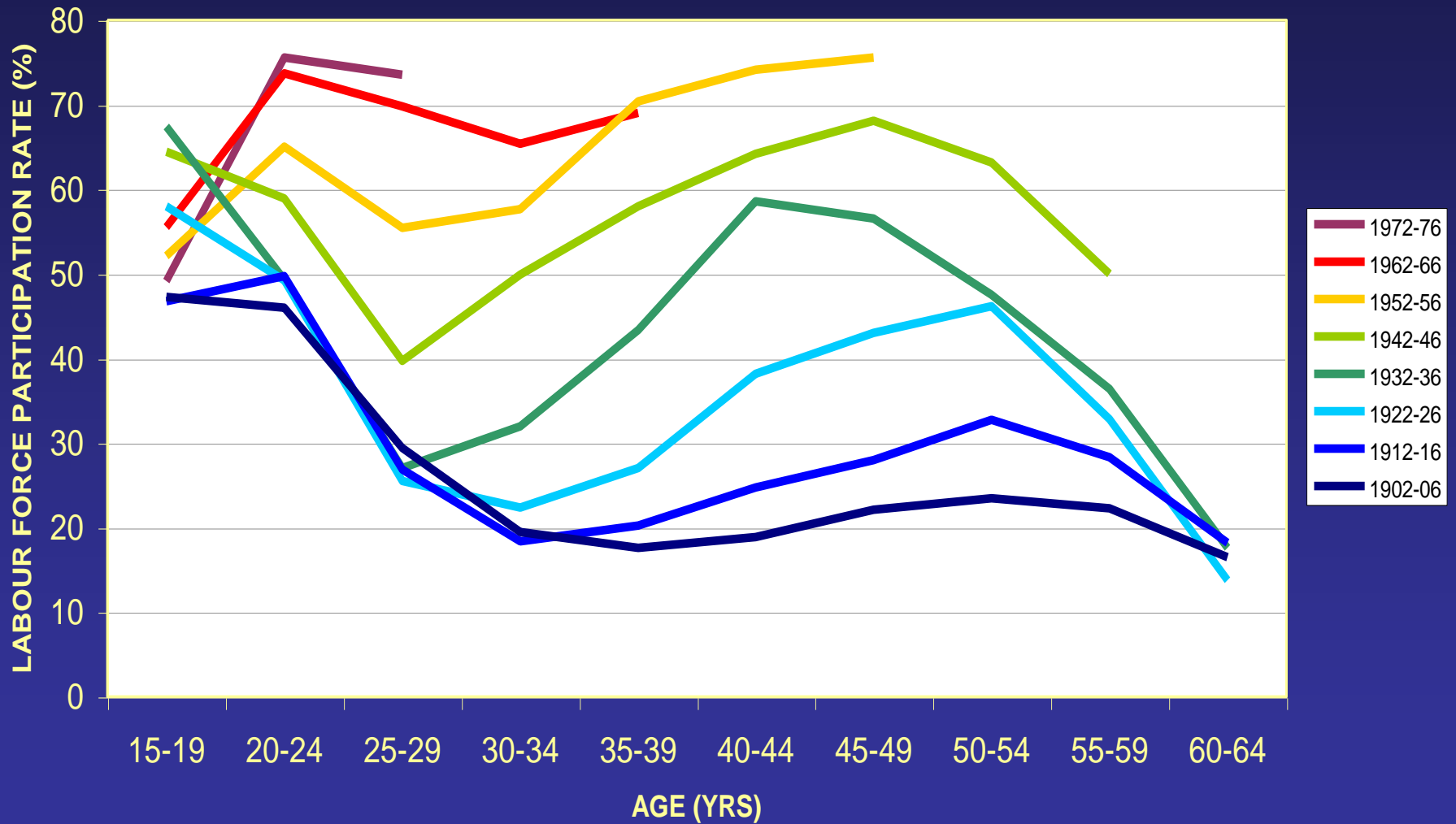


# Full-time female earnings, distribution by age group

(P10, lower quartile, median, upper quartile, P90, mean = ◆)



# Women's labour force participation by cohort



# “Groundhog Day”

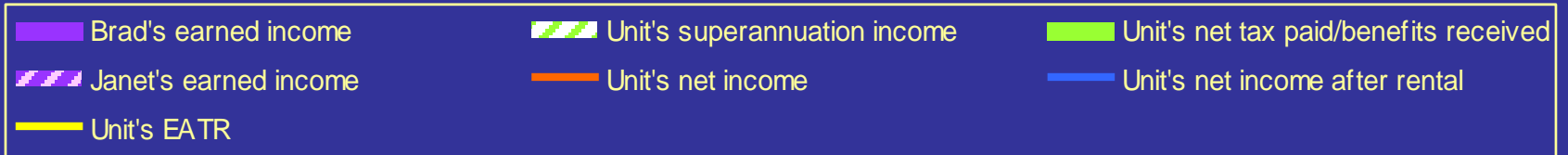
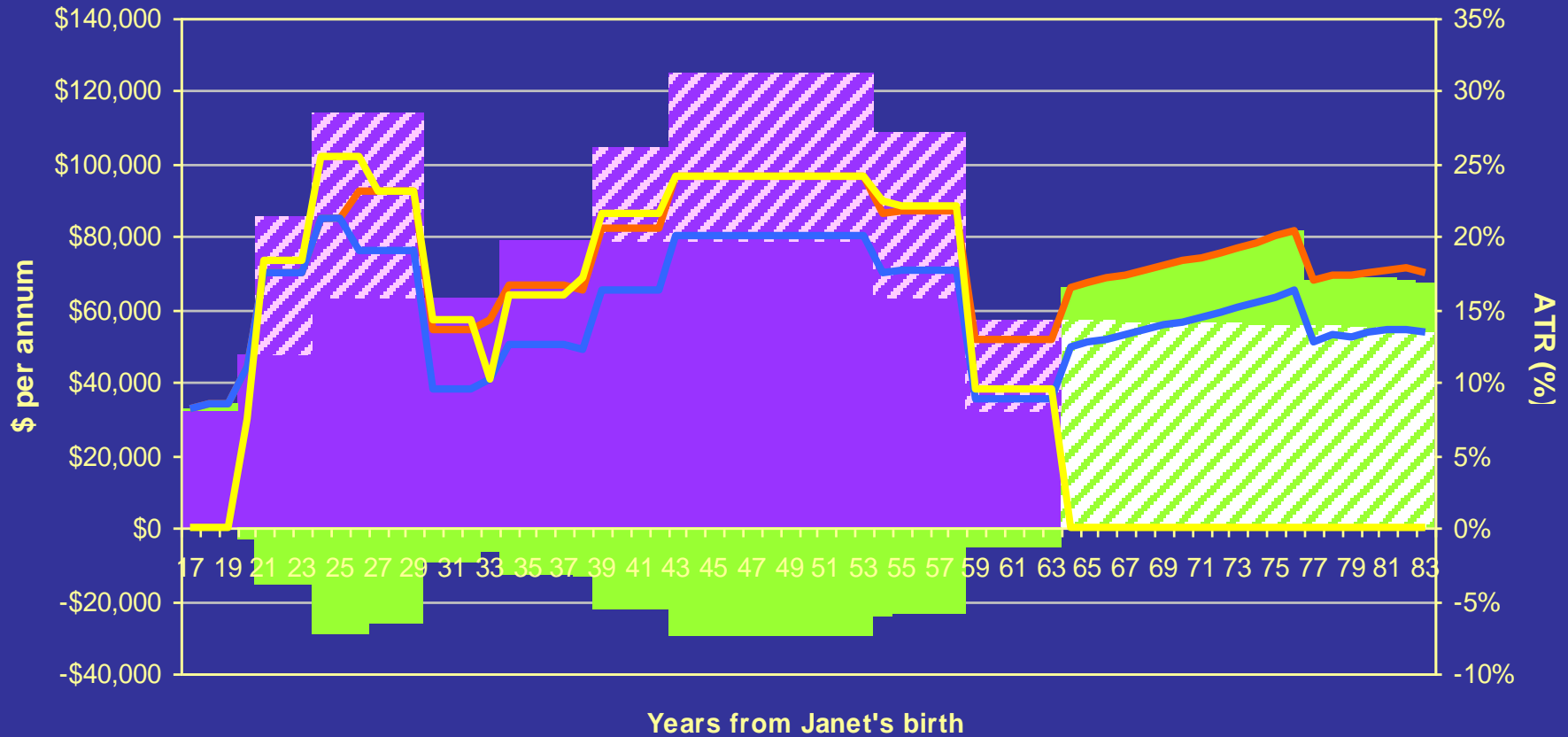
- The life course modelling that follows is constructed with the data assumption of a steady state economy and tax-transfer system (all figures in 1 January 2007 terms).

# Meet Brad & Janet

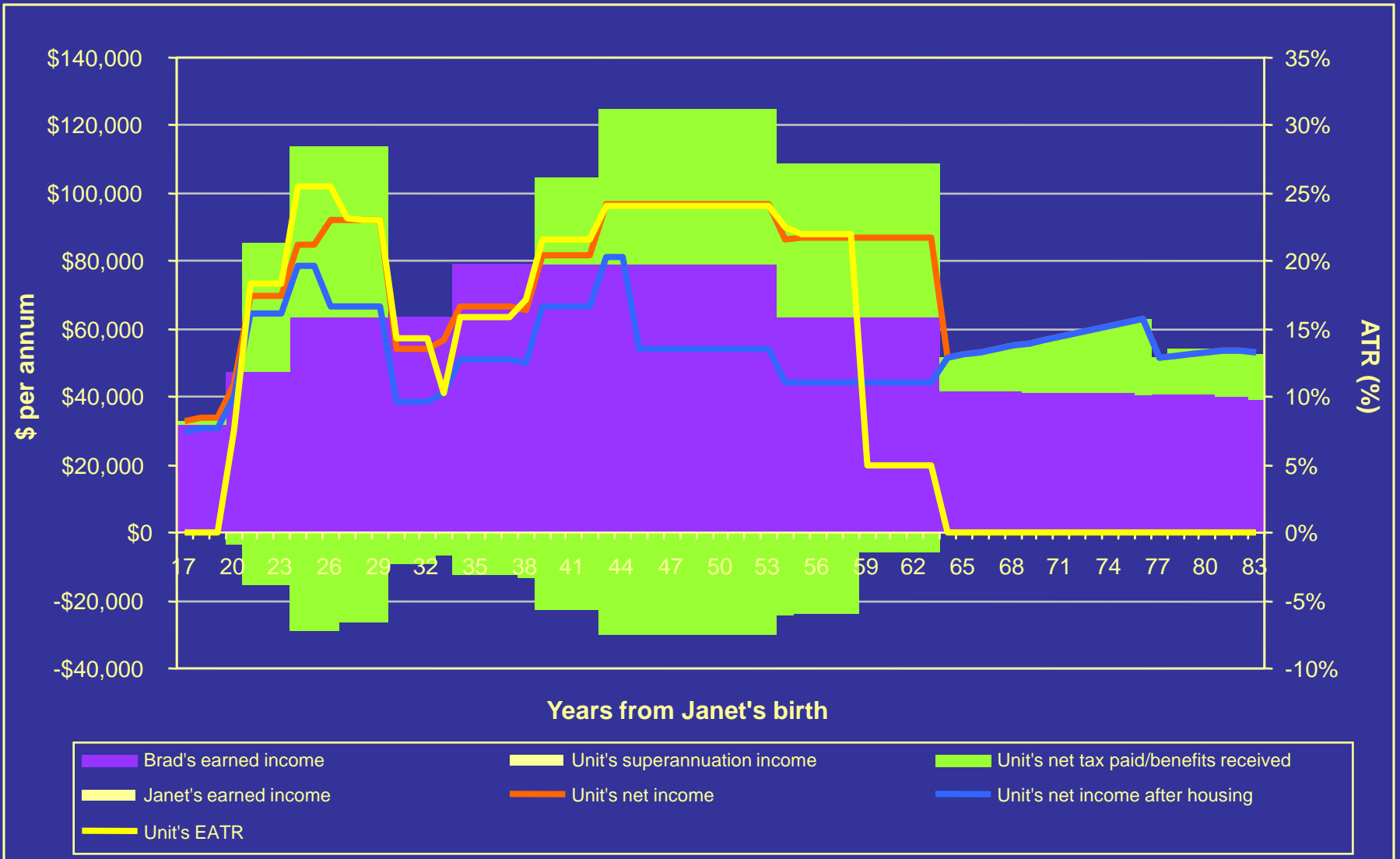
- We follow Brad from 18 yrs to death aged 77
- Janet from 17 yrs to death just prior to 84 yrs
- Janet went to university (HECS); Brad did not
- They partner when Janet is 26
- First child when Janet is 30, 2<sup>nd</sup> at 33
- She returns to PT work at 39, FT at 43
- Children leave home when 22 years old



# Brad and Janet rental housing for whole of life



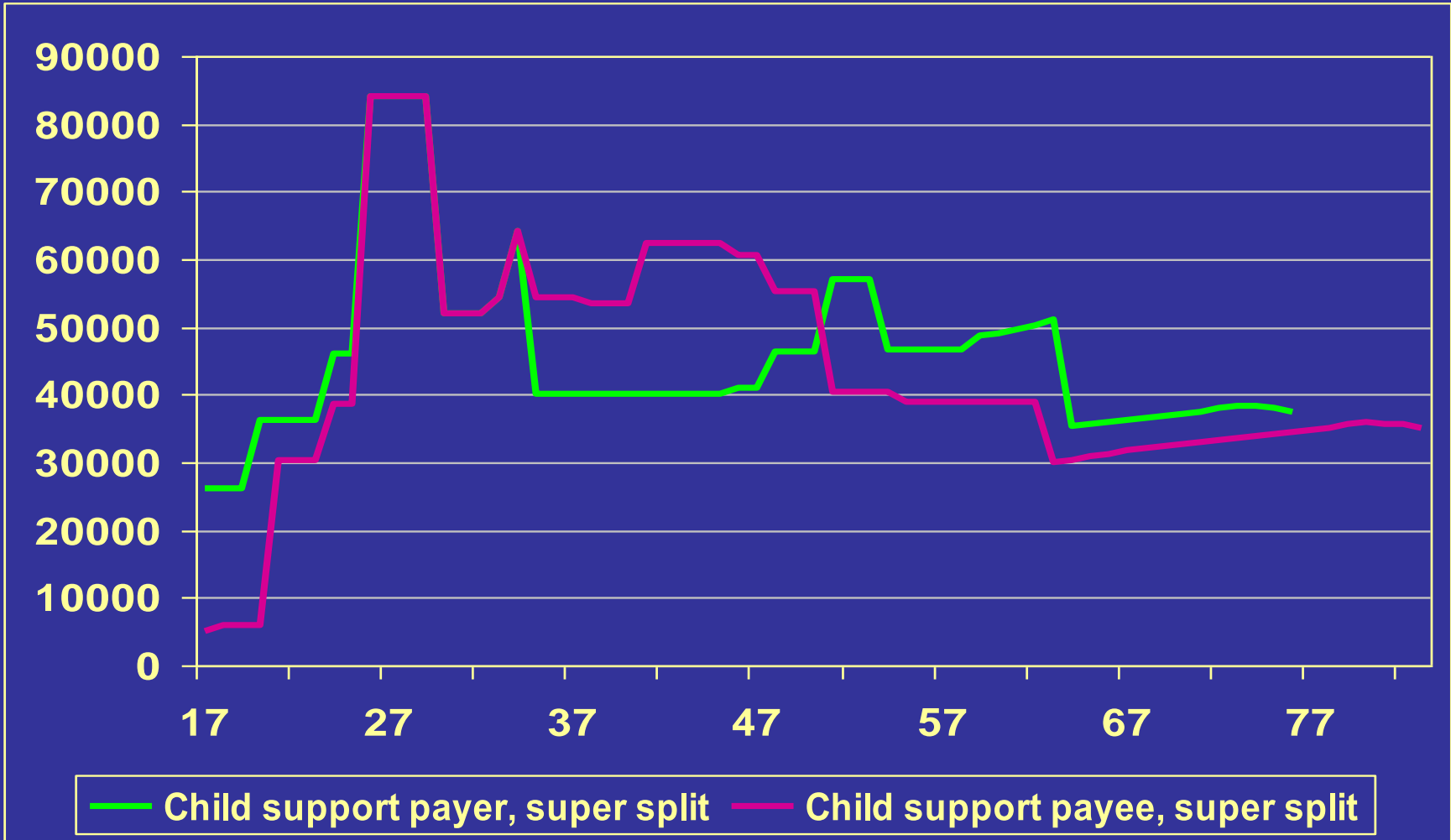
# Brad and Janet mortgagors/homeowners



# Brad & Janet separate, do not split superannuation



# Brad & Janet separate, split superannuation



# Discussion

- How well do we understand the impacts on peoples' wellbeing and self-reliance on major events/transitions? (e.g. What research do we do?)
- Does every life course transition need government intervention? What is the role of government, the individual and the market through each transition? Do our interventions get in the way of appropriate incentives at the transition points?
- To what degree should we help people with life events – should we just help people cope or should we be more interventionist? Should we be more targeted?