

Australia

Distributional National Accounts for Australia, 1991-2018

In a new World Inequality Lab working paper, Matthew Fisher-Post, Nicolas Hérault and Roger Wilkins produce estimates of the full distribution of all national income in Australia for the period 1991 to 2018, by combining household survey with administrative tax microdata and adjusting to match National Accounts aggregates.

From these estimates, they are able to rigorously document the shifts in income shares over the period, contrasting changes in the distribution of pre-tax and post-tax national income.

They compare Australia to the US and to France, and also compare the new results to traditional household survey-based estimates of inequality. Moreover, they exploit the richness of unique tax and survey microdata to shed light on the distribution of national income across and within various population groups—results that are not usually identifiable in the tax datasets that underpin reliable top-income estimates.

Among the most surprising and significant findings:

- *Inequality of post-tax national income is less than inequality of survey-based (post-transfer, disposable) income for Australia. [Part of the explanation for this unusual finding lies in the magnitude of capital income accruing to pension funds held by middle-class households in Australia. The other prominent explanation owes to the income concepts used by reference (survey-based) income distributions elsewhere in the inequality literature for Australia. These other studies and raw data sources generally exclude some or most of the post-tax (redistributive fiscal policy) items that our full DINA post-tax income estimates do include.]*
- *The gender gap in income has stubbornly remained stable over the past three decades.*
- *Australian inequality of national income is much lower than that of the United States, while it is similar to that of France, although those at the bottom of the income distribution fare better in France than in Australia.*