



MEDIA RELEASE

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NEW ESTIMATES OF THE COSTS OF RAISING CHILDREN IN AUSTRALIA

The latest estimates of the costs of raising children in Australia show costs have risen substantially over the last two decades due to changing community expectations of what children need to live a healthy life.

The figures - published today by the Australian Institute of Family Studies' - show the weekly costs of raising a child range from \$140 for unemployed families and \$170 for low-paid families.

Institute Director, Anne Hollonds said the costs of bringing up children are of intense interest to both families and policy makers.

"Families are interested because the cost of raising children affects their wellbeing and the decisions they make about managing the burden of care, and policy makers need robust information to inform family policies, including the adequacy of minimum incomes," Ms Hollonds said.

The research was carried out by the UNSW Social Policy Research Centre using a 'budget standards' approach to estimate the cost of children's food, clothing and footwear, health, personal care and school expenses and their share of household expenses like housing, household goods and services (including energy) and transport costs.

Professor Peter Saunders said that the budget standards approach identifies and then costs all of the items that are needed to achieve a 'minimum income standard for healthy living' in Australia today.

"We updated the existing budget standards using new ABS data on what Australians own, what they do and what they spend their money on," he said.

"For example, we included the costs of mobile phones which are now commonplace and what it costs to feed and clothe children by pricing shelf items in nationwide stores, such as Woolworths and Kmart.

"A series of focus group interviews with low-income families told us how they manage on their budgets which turned up important trends, including clothes swapping for school uniforms and buying more home-brand or generic items in supermarkets and chain stores."

The study found the estimated weekly costs for low-paid families of raising two children – a 6 year-old girl and a 10 year-old boy – is \$340 per week, or \$170 a week per child. While at the lower unemployed standard, the weekly costs of raising two children is \$280 per week, or \$140 a week per child.

The most expensive budget items were housing costs, based on families paying average prices for rental accommodation in Sydney, Melbourne or Brisbane, followed by food, household goods and services.

Other, shared costs include the additional energy bills required to keep the home adequately warm and transport costs associated with ferrying children to school and activities.

"The new estimates of the cost of children are considerably higher than those produced by updating the original budget standards created in 1995 because prevailing community standards have shifted upwards over the past two decades," Professor Saunders said.

"A key advantage of the budget standards approach is that it makes transparent the key decisions, choices and assumptions required to estimate how much is needed to achieve the minimum healthy living standard, consistent with adequate levels of social participation and inclusion."

"The results provide important data for assessing how much income unemployed and low-paid families need and can thus guide the setting of the Newstart Allowance and the minimum wage."

Table 1: New minimum income for healthy living (MIHL) budget standards for low-paid families and estimated costs of children, June Quarter 2016 (\$ per week)

Budget category	Family type:			Costs of child(ren):		
	Couple, 0 children (1)	Couple, 1 child (2)	Couple, 2 children (3)	6-year-old girl (2) minus (1)	10-year-old boy (3) minus (2)	Combined cost of G6 and B10 (3) minus (1)
Food	123.60	156.22	200.91	32.62	44.69	77.31
Clothing and footwear	15.77	23.72	33.20	7.95	9.48	17.43
Household goods and services	99.59	112.72	139.10	13.13	26.38	39.51
Transport	120.75	144.72	144.72	23.97	0.00	23.97
Health	14.45	19.51	24.36	5.06	4.85	9.91
Personal care	27.04	31.03	35.34	3.99	4.31	8.30
Recreation	39.54	62.06	76.99	22.52	14.93	37.45
Education	0.00	27.43	61.26	27.43	33.83	61.26
Housing (Rent)	392.50	392.50	457.50	0.00	65.00	65.00
Total budget	833.24	969.91	1,173.38	136.67	203.47	340.14

The article will be published in the forthcoming issue of Family Matters, the Institute's journal that publishes research relevant to contemporary Australian families. You can access the article, [New estimates of the costs of children](#) by Peter Saunders and Megan Bedford here.

More information about the project is also available on the University of New South Wales (UNSW) Sydney webpage: [Budget Standards: A new healthy living minimum income standard for low-paid and unemployed Australians](#).

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