



1 Introduction

This report is the fourth in the Australian Institute of Health and Welfare's series of biennial reports on Australia's system of welfare services and assistance. It builds on the previous three reports and, like them, contains chapters dealing with aged care, disability services, children and family services, services for children in need of protection, housing assistance, services for homeless people, and expenditure on welfare services.

For the first time, the chapter on services for homeless people provides, for clients of and services provided under the Supported Accommodation Assistance Program, data that are adjusted for non-response and non-consent. Adjustments have been made to the 1996-97 and 1997-98 data to enable comparisons between these two years.

The chapter on welfare services expenditure provides estimates of expenditure by the government sector and non-government community organisations; it also provides estimates of the contribution of volunteers. Limited information on cash benefits is included in each chapter so that the description of non-cash services and assistance can be placed in a wider context.

The special chapter for this fourth report documents changes in the pattern of work and the community services workforce in the past 20 years. It describes the unique features of this workforce, the determinants and consequences of changes in it and future prospects.

1.1 Changes in community services since 1997

There have been some important developments affecting community services since *Australia's Welfare 1997* was released in November 1997.

The population has continued to become older—the number of older people is increasing and the number of children aged less than 5 years is beginning to fall. The trend towards de-institutionalisation continues (for example, in aged care and disability services), with a consequential increase in the level of informal care and the type and level of home-based and community-based services.

In 1997-98 significant changes were made to the aged care system. Among these changes were the amalgamation of nursing homes and hostels, the introduction of means-tested contributions for residential care and a capital charge, and the establishment of the Aged Care Standards and Accreditation Agency. The Home and Community Care program for older people and for younger people with a disability has received more funding. Chapter 6 discusses the effects of these changes.

In child care, operational subsidies to most operators of community-based long day care centres were withdrawn in July 1997, and new means-tested funding arrangements

for outside school hours care were introduced in 1998. Chapter 4 discusses these changes.

In relation to child protection, changes to some State and Territory legislation and departmental practices have meant that 'child protection' cases are now better differentiated from general 'child concern' cases.

Three major Commonwealth–State agreements were renegotiated in 1998–1999. First, a new Commonwealth/State Disability Agreement has been extended to June 2002, with the Commonwealth and the States and Territories acting to resolve the problem of unmet demand for disability services. Second was the agreement to extend the Supported Accommodation Assistance Program from December 1999 to June 2005, with additional emphasis on preventive measures. Third, the Commonwealth–State Housing Agreement, which governs the funding of housing assistance to people in need, was renegotiated. The new Agreement, to run from 1999 to 2003, will give further flexibility to the States and Territories in catering for the particular housing needs of the populations in their jurisdictions.

All three agreements are in the form of two-tier agreements—a multilateral agreement that sets out principles and objectives and a bilateral agreement between each of the States and Territories and the Commonwealth on financial and other matters specific to the State or Territory in question. Performance measures and the data requirements that underpin them are incorporated in the agreements.

1.2 Directions in family and community services

In his keynote address to the National Congress of the Australian Council of Social Services in November 1998, shortly after the federal election, the Prime Minister, in arguing for taxation reform, emphasised that a broad revenue base was necessary for a continuation of the existing level of community services provision (Howard 1998). He also emphasised early intervention in addition to the provision of a safety net, and the building of strong partnerships between individuals, the community, government and business to strengthen the family and the community.

The Commonwealth Government has established a new department—the Department of Family and Community Services—to bring together into a single agency programs dealing with financial assistance and service delivery and funding. All family-related functions (except aged care) are brought together in the Department, to facilitate better coordination of family-related policies.

In its 1999 Strategic Plan, the Department identifies three main outcomes—stronger families, stronger communities, and economic and social participation. Three key strategies have been developed to guide the Department's work—prevention through capacity building and early intervention; promoting independence, choice and self-reliance; and maintaining a strong and sustainable social safety net (FaCS 1999). Supporting and strengthening relationships are critical to the building of stronger families, and the development of partnerships between the community, business and government is an important step in community capacity building and economic and social participation.

In June 1999 the Prime Minister announced the Government's intention to develop a National Families Strategy. This Strategy will bring together within a national framework the various existing programs across the three levels of government and will focus on the different life stages of families and their needs during those stages. The central elements of the National Families Strategy are marriage and relationships, early childhood, parenting, work and family, and rural and remote communities (Howard 1999).

There have also been important changes at the State and Territory level. Preventive measures, in addition to crisis management, have received further attention. In all States and Territories, 'child protection' cases are carefully assessed so that suitable support services – in addition to the more intrusive investigative measures that may be required – are provided to the families involved. Case management is increasingly used since this allows for follow-up and management of the longer term causes of problems as well as the resolution of immediate crises. A 'whole-of-government' approach is often taken, so that existing links between service programs are exploited and new links are created.

In New South Wales, for example, a new whole-of-government initiative, Families First, is gradually being implemented (NSW Cabinet Office 1999). The aim is to improve links between early intervention services and community development programs in order to support the parents and carers of children up to 8 years of age. Coordinated by the Cabinet Office, the initiative involves the Departments of Community Services, Ageing and Disability, Education and Training, Health, and Housing. It is area based and involves the drawing together of various services, including those provided by volunteers, to provide an integrated service network.

In Victoria all family, child and youth programs were subject to a major redevelopment program that commenced in 1997. Existing and new services were grouped into six service groups – support services for families, early intervention services for families, intensive support services for children and families, intensive support services for young people, homeless services, and family violence services. New arrangements for the purchase of these services from service providers were adopted. Important features of the redevelopment program are clear specification of outcomes to be achieved, strengthening preventive services, grouping of services to streamline administration, area-based service delivery for better integration, introduction of generic service standards, and contestable purchasing arrangements (Victoria DHS 1998, 1999).

In Western Australia the Department of Family and Children's Services implemented in 1997–98 a new operating structure based on a funder–purchaser–provider model and output-based management. Broad outcome, output and performance indicators are specified and reported on for each group of services. A new procurement strategy was established, with a focus on organisations' accountability in providing services (WA DFCS 1998).

These changes in emphasis, at both the Commonwealth and the State and Territory levels, are expected to influence the direction of welfare services and assistance in the immediate and longer term.

1.3 Taxation reform

In 1999 Commonwealth legislation was passed for taxation reform. The reform is extensive and the new tax system that is to be introduced from 1 July 2000 will have far-reaching implications for all sectors of society.

The new system will simplify the current tax arrangements and will abolish a number of Commonwealth and State and Territory taxes. It will include a Goods and Services Tax (GST) and will contain measures to compensate low-income individuals and families for an expected increase in the cost of living following the GST's introduction.

The lowering of the marginal individual income tax rates is designed to improve work incentives and partially overcome poverty traps caused by the interaction of the income tax system with the means tests on government benefits and services.

The reform will also restructure Commonwealth-State financial arrangements since taxes collected under the GST will be treated as State and Territory revenue.

Exemptions from the GST will be granted to various health, community and charitable services. Exempted community services categories are aged care residential facilities, child care supplied by a registered provider, home-based aged care, disability services, and other community services funded under Commonwealth or State or Territory legislation, or under an agreement between the Commonwealth and the States and Territories. These exemptions are not related to whether the service provider is a charitable non-profit organisation or a for-profit private company. It is the nature of the service that defines whether a service is GST exempt.

In addition, all non-commercial activities of charitable organisations are GST exempt, even if such activities do not come within the ambit of the services just listed. An activity is considered non-commercial if the goods produced and services provided are sold for less than 50% of their commercial value.

The new tax system's effects on welfare services will be reported in the next issue of *Australia's Welfare*, in 2001.

1.4 Recent developments in community services information

There has been much activity in data development since *Australia's Welfare 1997* was released.

The National Community Services Information Agreement

The National Community Services Information Agreement, signed in early 1997 by relevant Commonwealth and State and Territory government agencies, the Australian Bureau of Statistics and the Australian Institute of Health and Welfare, provides the structures and processes needed to support national development and coordination of community services information activities. The Agreement was described in *Australia's Welfare 1997* (AIHW 1997).

Under the Agreement, the National Community Services Information Management Group (NCSIMG) and four data working groups—the National Community Services

Data Committee, and three groups covering child protection, children's services and aged care—were established to promote the development, collection and use of nationally consistent statistics. The AIHW expert group in disability services reports regularly to the NCSIMG.

In 1998, the NCSIMG developed a National Community Services Information Development Plan, which was endorsed by the Standing Committee of Community Service and Income Security Administrators (SCCSISA) as the guide for national data development in the medium term. Preparation of the Plan involved a review of current policy considerations, information requirements, the availability of national statistics and current developmental efforts, and identification of neglected areas that should be a priority for data development (SCCSISA 1999).

The NCSIMG was granted funding from the SCCSISA for three of the high-priority areas identified in the Plan—a project to develop principles and standards for improving Indigenous identification in community services data, a scoping study of family support services information requirements, and the development of a minimum data set for juvenile justice and welfare. Work plans for these projects have been drawn up and work will begin in 2000.

The *National Community Services Data Dictionary*

The publication in June 1998 of version 1 of the *National Community Services Data Dictionary* (SCCSISA & AIHW 1998) represented an important step towards providing a tool for the integration of community services data. Version 1 consists mainly of socio-demographic data items generally used in community services, plus some cross-program items. Further development of the dictionary is considered essential to the establishment of a national data infrastructure and the NCSIMG decided that the next version of the dictionary should be expanded.

As well as expanding the existing socio-demographic and cross-program data items, version 2 will introduce important program-specific data items that should be of value to other community services programs. Development of version 2 is now well advanced, in preparation for the scheduled publication date of 2000. All jurisdictions have stated their intention to use the dictionary in their data collections.

The Household, Income and Labour Dynamic in Australia (HILDA) survey

As part of its long-term research strategy, the Commonwealth Government announced in the 1999 Budget the funding of a large-scale panel survey focusing on the links between labour market dynamics, income and family structure, as well as retirement. The HILDA Survey aims to collect longitudinal data on how people respond to various government incentives. A pilot test of the Survey is planned for 2000.

The Australian Bureau of Statistics review of national household surveys

In an attempt to reconcile the growing demand for household survey data with its own resources, the Australian Bureau of Statistics (ABS) reviewed its household survey program and, after extensive consultation, has released a paper on its future plans (ABS 1999). Government agencies are being consulted about the options identified.

The ABS household surveys are important sources of information on community services; the survey results are used for policy development by all relevant Commonwealth and State and Territory government agencies and are used throughout this report. The Survey of Disability, Ageing and Carers, the Time Use Survey, the Child Care Survey, the Housing Survey, the Income and Housing Cost Survey, and the Household Expenditure Survey regularly provide important information for assessing the need for and use of services. Irregular surveys such as the Family Survey, the Rental Tenants and Investors Survey, and the Community Housing Infrastructure and Needs Survey also provide vital information.

Two important new proposals put forward by the ABS as a part of this review are to conduct a regular general social survey to collect broad information across all areas of social concern and to develop a multi-purpose survey vehicle to collect relatively straightforward data on topics such as families, voluntary work, education and training, housing, and assets and wealth.

Another important improvement will be a strong focus on Indigenous Australians through additional samples in regular surveys and a specific multi-topic survey.

The outcome of the ABS review will have long-term consequences for the availability of survey data in the community services field.

1.5 The Review of Commonwealth–State Service Provision

The Review of Commonwealth–State Service Provision was established in July 1993 by heads of the Commonwealth, State and Territory governments. One of the Review's objectives is to publish each year national performance indicators that are comparable across jurisdictions, thus enabling comparisons of the effectiveness and efficiency of government-funded service provision.

The areas covered by the Review are community services and housing assistance, education, health, justice, and emergency management (SCRCSSP 1999). The need to publish performance indicators has lent urgency to efforts to improve the quality of data on community services in many respects, particularly in terms of the ability to compare across States and Territories. The Productivity Commission, which serves as Secretariat to the Review, is working closely with the NCSIMG and its data-development groups to improve both the relevance of the performance indicators chosen and the data that support the indicators.

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