



1 Introduction

Australia's Welfare 2001 is the fifth biennial report on Australia's welfare. It builds on the previous four editions, and again contains separate chapters on welfare expenditure, aged care, disability services, children's and family services (including services for children in need of protection), housing assistance, and services for homeless persons.

While the major focus is on welfare services and assistance, the coverage of the report has widened since 1993; for example, information on cash payments is now included in each chapter. Assistance to people in need may be provided through cash payments, direct services, or a mixture of both, and policy changes may replace one form of assistance with another. In the area of child care, for example, government assistance has shifted from direct service provision to payments to parents to assist in the purchase of child care services in the market.

Government programs are designed to meet the need for services and assistance. Understanding the level and type of need is therefore critical to the assessment of program performance. Analysis of the need for services and assistance has always been included in each of the service-specific chapters of the reports since 1993, and is continued here. To enable a better discussion on the assessment of social needs and program performance, this report contains a special chapter on indicator frameworks that have been developed in the field of welfare. The chapter reviews current efforts in developing indicators of need, performance measures, and broader welfare outcomes, and proposes a broad framework for further work in providing a context for the understanding of welfare service programs.

This report also contains a special chapter on the trend away from institution-based care and towards community-based care. Deinstitutionalisation is a policy focus common to many community services areas, but the history of this policy and the results of such initiatives vary between the different sectors. This chapter describes the broad trends in aged care, disability services, mental health services, substitute care for children, and acute hospital services.

Since 1999 there has been considerable national effort spent on data development. A general description of data development activities is presented in this chapter, and again details of sector-specific data developments are contained in each of the relevant chapters.

1.1 Government policy initiatives

Since the Institute's last biennial report in 1999, there have been important government policy changes at both the Commonwealth and the State and Territory levels that will have long-term implications for welfare service delivery.

The Commonwealth Government initiated a review of the welfare system and announced a series of changes to reform it. It has also developed a Stronger Families and Stronger Communities Strategy. The main features of these two initiatives are described below. Some of the main effects of the new tax system on welfare services, implemented in July 2000, are also described in this chapter.

Initiatives at the State and Territory level have emphasised early intervention, meeting the complex and multiple needs of clients, and a whole-of-government approach to service delivery. Some of these are also discussed here.

Welfare reform

In September 1999, the Commonwealth Government announced its intention to review the Australian welfare system and commissioned a reference group headed by Patrick McClure, Chief Executive Officer of Mission Australia. The main aim of the review was to develop options that encourage people in receipt of government assistance to participate in work and in the community. A major term of reference was to provide advice on options for the reduction of welfare dependency, while maintaining a sustainable safety net (Reference Group on Welfare Reform 2000:62).

The Reference Group reported in July 2000 and proposed a long-term vision of a Participation Support System that features individualised service delivery, a simpler income support structure, work incentives and financial assistance, mutual obligations, and social participation. The report offered a large number of recommendations for government action, ranging from medium- to long-term solutions and initial steps that could be adopted in the short term.

Responding to these recommendations, the Commonwealth Government announced, in the May 2001 national budget, a \$1.7 billion package of changes: *Australians Working Together* (www.together.gov.au). The package offers improved personalised assessment, more opportunities for training and work experience, and better incentives to take up work. Measures include more assistance for parents, help for older people, better assessments and more employment assistance for people with disabilities, the introduction of a Working Credit, and new programs to assist people looking for paid work. The Working Credit is designed to encourage workforce-age people on income support to take up work by allowing them to keep more of their income support payment while working. New job search programs include the Personal Support Programme, which provides more intensive support to people whose personal problems make finding work difficult, and the Transition to Work Programme, which helps parents, carers and mature-age job seekers who are returning to the workforce. Mutual obligation arrangements are to be strengthened through more work for the dole places, greater support for voluntary community work, and the development of community—business partnerships.

The package will have a major impact on welfare service delivery, with Centrelink expected to provide more personal assistance and support to people to help them to find work. Details of changes that may have an impact on welfare service delivery in specific fields are included in the relevant chapters. The longer-term effects of these welfare reforms will be reported in later editions of *Australia's Welfare*.

Stronger families and stronger communities

The Commonwealth Government announced in April 2000 a long-term strategy to promote stronger families and stronger communities. The strategy re-states the fundamental importance of the family and the local community in the provision of help and assistance, and puts emphasis on prevention and early intervention. It stresses the importance of working with non-government partners and the provision of local solutions to local problems. For families, there are three focus areas: early childhood and the needs of families with young children, strengthening marriage and relationships, and balancing work and family. For communities, there are four areas of focus: strong leadership, skills and knowledge, expanding partnerships between public and private sector, and supporting volunteers (www.facs.gov.au).

Funds under this strategy were made available to initiate new programs of services and a range of family support services has been reviewed (AIHW 2001:86—94). Chapter 5 of this report contains further details about the strategy.

Taxation reform

The new tax system that came into effect on 1 July 2000 includes a goods and services tax (GST) and the abolition of a number of Commonwealth, State and Territory taxes, including the wholesale sales tax. The individual income tax rates were reduced and, in the GST system, some goods (in particular food items) and services, including various health and community services, are GST-free. There were also increases to family assistance and compensation for social security recipients, including aged pensioners and people in receipt of rent assistance. Aspects of the changes to financial assistance are described in the relevant chapters of this report.

The impact of the new tax system on the living standards of individuals and households is complex. Based on various assumptions, research on the impact of the GST has identified types of households that would benefit or lose from the taxation changes (ACOSS 2000; Harding et al. 2000).

The impact of the new tax system on the delivery of community services is also complex. In addition to a variety of health and community services, the non-commercial activities of charitable institutions are GST-free. (This provision applies to all supplies, not only the categories of health and community services.) Non-commercial goods and services are those that are supplied or sold for nominal consideration, that is for less than 50% of their market value or for less than 75% of the consideration the charity provided for the good or service supplied (where it is a supply other than accommodation). From 1 July 2000, charities must be endorsed by the Australian Taxation Office if they wish to gain or maintain income tax exempt status.

Changes have also been made to the fringe benefits tax (FBT). Public benevolent institutions (PBI) were eligible to claim a total exemption from FBT before the introduction of the new tax system. From 1 April 2001, a limit of \$30,000 per employee (grossed-up taxable value) has been placed on PBIs on the level of exemption from the FBT (www.ato.gov.au). Although a charitable organisation is not necessarily a PBI (Taxation Determination 93/11), many are and are therefore entitled to make use of the

FBT concession (ACOSS 1999; ATO 2000). Those charitable institutions without PBI status are entitled to claim a rebate on their FBT. This rebate has also been capped at a level of \$30,000 grossed-up taxable value per employee from 1 April 2001.

The impact of GST on community services is made complicated because of the imprecise definition of charity and the complex relationship between charitable organisations and other related organisations. In September 2000, the Commonwealth commissioned an inquiry into the definitions of charitable and related organisations. The report in June 2001 proposed a definitional framework for altruistic community organisations that includes charities and within it benevolent charities (Treasury 2001).

The introduction of the new tax system will have a long-term influence on the financial relationship between the Commonwealth and the States and Territories and on the funding and delivery of community services. All revenue collected by the Commonwealth through the GST is passed onto the States and Territories, replacing the previous financial grants made by the Commonwealth to the States and the Territories.

State and Territory initiatives

In line with Commonwealth directions, early intervention, strengthening families, continuum of care, and integrated service have received further attention in State and Territory service programs. These emphases are set out in many of the strategic plans of State and Territory community services agencies (Queensland Department of Families, 2001a; South Australia DHS 1999; Victoria DHS 2000; Western Australia DFCS 2000).

In South Australia, the need to balance preventive types of services with intensive, targeted types of services was raised in a discussion paper on a social welfare services framework (South Australia DHS 2001).

In Queensland, a new Department of Families was formed in 2001 and a draft policy statement on the family places emphasis on the importance of early years and early intervention to a child's development (Queensland Department of Families 2001b). The Department of Health continues to manage the Positive Parenting Program, a multi-level and integrated model of prevention and treatment of behaviour problems in children.

In New South Wales, services to new areas have been added to the Family First Program. This whole-of-government program, supporting children aged under 8, is expected to be extended to cover the whole State by 2003–04 (AIHW 2001:36–7; New South Wales DOCS 2000). An important element of the program is that services are coordinated at the local level.

In Victoria, the Strengthening Families Program provides case management, in-home services and outreach support to divert families from the statutory child protection system. This program and other family support services, such as family counselling and the Positive Parenting Program, work together to provide a single service system for families (AIHW 2001).

The emphasis on prevention is clearly seen in the trends in child protection practices. In most jurisdictions, policies have been introduced in the past decade that allow for non-investigative responses to reports of concerns about children that are made to community services departments. This has led to a decrease in the number of child abuse investigations, but an increase in the provision of preventive support services.

Services to clients with complex and multiple needs are also an important area of focus. Approaches that integrate and coordinate across service sectors are being developed. For example, the Housing Ministers Advisory Council has initiated work that aims to achieve alignment of housing assistance programs with related ones in community services and health.

1.2 Developments in community services and housing information

There have been considerable activities in data development in the field of community services and housing since *Australia's Welfare 1999* was released.

The Commonwealth, State and Territory Governments jointly fund community services and housing assistance in Australia. These joint efforts are underpinned by Commonwealth—State agreements on funding and service provision. Four agreements (the Home and Community Care Agreement, the Commonwealth/State Disability Agreement, the Supported Accommodation and Assistance Program, and the Commonwealth—State Housing Agreement) have been renegotiated since 1998—99, with new agreements coming into operation in the last 2 years. All four require the collection of nationally consistent data to inform the operations of these programs. These agreements provide the framework that encourages quality data to be developed in these fields. Service providers collect the data as part of the reporting requirements in their contracts with government funders. Governments compile the data for policy and planning purposes. National data collation and publication are usually carried out by the Australian Institute of Health and Welfare (AIHW). Data development efforts in these four areas are described in the relevant chapters in this report.

The national information agreements

National information agreements provide the structure and processes needed to support statistical work. These agreements are signed by the relevant departments in all jurisdictions, the Australian Bureau of Statistics (ABS) and the AIHW. Three such agreements are currently in operation in the welfare sector: the National Community Services Information Agreement (signed 1997), the National Housing Data Agreement (signed 1999) and the Agreement on National Indigenous Housing Information (signed 2000). A similar agreement in the health sector has been in operation since 1995.

Under these agreements, information management groups, data committees and working groups are established to promote the development, collection and use of nationally consistent statistics.

The National Community Services Information Management Group

The National Community Services Information Management Group (NCSIMG) has established a Data Committee, sector-specific working groups and ad hoc project groups to assist in its work. Sector-specific work is reported in the various chapters in this report. The Data Committee and ad hoc project groups undertake NCSIMG projects that cut across community services sub-sectors. They are guided by the 1998 National Community Services Information Development Plan (SCCSISA 1999). Significant sector-wide projects in the last 2 years include the revision of the *National Community Services Data Dictionary*, improving the collection of Indigenous data, the development of protocols for the use of statistical linkage keys for community services data, and a review of the national classifications of community services.

The *National Community Services Data Dictionary*

The *National Community Services Data Dictionary* (NCSDD) is the authoritative repository for nationally endorsed definitions of data elements of relevance to community services (AIHW 2000). The data elements are intended to serve as the building blocks with which data items and systems can be constructed for specific services and purposes. Anyone who is compiling a data set particularly a National Minimum Data Set (MDS) is encouraged to use the data elements in the NCSDD to ensure that the resulting data are comparable with data from other community services collections.

For many areas of community services, minimum data sets have been or are being developed with the purpose of defining minimum information requirements for national reporting. These data sets also support performance indicators. Minimum data sets are usually accompanied by data dictionaries, which set out the definitions of MDS data elements and give background information and guidance as to how data should be recorded.

The AIHW has recently been engaged in developing standard formats for performance indicator specification. For example, a template has been developed for specifying performance indicators for use in particular program areas and for identifying the individual data elements required to construct each indicator. The purpose of the template is to ensure that specifications are clear and concise and cover all information necessary for consistent implementation.

Version 2 of the NCSDD was published in 2000 and was a large expansion of version 1. It incorporated the results of consultations with a range of community services data development groups and with the ABS. Version 2 has also been made available in electronic form in the AIHW Internet-based Knowledgebase: Australia's Health and Community Services Data Registry (www.aihw.gov.au). NCSIMG members have committed their agencies to using the NCSDD definitions wherever possible, representing a significant step towards nationally consistent community services data in Australia.

Principles and standards for Indigenous client data

Data on the wellbeing of Indigenous people are available from the population censuses and household surveys conducted by the ABS. However, data from administrative sources on the use of housing and community services by Indigenous people are inadequate. In view of this, the NCSIMG has commissioned the ABS to develop a set of principles and standards for Indigenous identification in community services data. In developing these standards, the ABS has analysed the quality of Indigenous data in the Supported Accommodation Assistance Program collection, the child protection data collection and the national disability minimum data set collection. The NCSIMG has approved the proposed principles and standards and this will be published together with results of the data quality analysis. A plan for the implementation of these standards, including the preparation of training materials, is being developed.

Review of the National Classifications of Community Services

Version 2 of the National Classifications of Community Services will be published in 2002. It will update version 1 (AIHW 1997) which comprises three classifications: service activities, target groups, and service delivery settings. Version 2 will provide an authoritative basis for the consistent coding of relevant aspects of provision of community services.

Sector-specific data developments in community services

A number of important data development activities have been undertaken jointly by the AIHW, the Commonwealth and the States and Territories since the release of *Australia's Welfare 1999*, some of which are ongoing. These relate to the development or redevelopment of program-specific data sets and data dictionaries and are discussed in the relevant chapters. These include the Aged Care Assessment Program MDS, the Community Care Packages Data Dictionary, a review of the data items for the National Respite for Carers Program (all in Chapter 6), the Commonwealth/State Disability Agreement MDS (Chapter 7) and the children's services MDS (Chapter 5). The HACC Consumer Survey Instrument was also developed and endorsed by Home and Community Care Officials in this period.

In addition, the NCSIMG, working with the Australasian Juvenile Justice Administrators, has completed a project specifying data items to be collected in a juvenile justice national MDS. This data collection is being pilot tested in 2001–02 for possible implementation in the following year.

The National Housing Data Agreement Management Group and the National Indigenous Housing Information Implementation Committee

Established in 2000, the National Housing Data Agreement Management Group and the National Indigenous Housing Information Implementation Committee work closely with each other to develop performance indicators and associated data specifications for mainstream and Indigenous housing programs. Early priority has been given to Indigenous housing, the public rental housing programs and the community housing programs. Plans have been developed to extend this work to the Aboriginal Rental Housing Program, private rental assistance, and home purchase assistance. Indicators

for crisis accommodation will need to be developed in conjunction with the administrators of the Supported Accommodation Assistance Program. While performance indicators for the various mainstream programs and Indigenous programs may vary, a single housing assistance data dictionary is being compiled to assist in the standardisation of definitions and classifications of data elements. Protocols for data collection, management, analysis and presentation are also being developed. Further details of housing data development initiatives are given in Chapter 3.

1.3 Performance indicators and data development

A significant factor that has assisted the development of quality data in community services is the emphasis now placed on performance measures for reporting purposes. Performance measures of service programs, in terms of effectiveness, efficiency, quality of service, equity of access, and so on, are now commonly required by funders to assess the performance of funded programs in meeting policy objectives. Specifying performance measures is an important first step, although not an exclusive factor, in defining data requirements. Specification requires the explicit enunciation of program objectives, and the translation of these objectives into a set of desired outcomes or targets against which performance can be measured. Program objectives and the related performance indicators may relate to the process, the outputs from the program and client outcomes.

The need for a framework to guide the development of performance measures is recognised by high-level ministerial advisory councils. An important outcome of the Strategic Plan for 2000—2002 of the Community Services Ministers Advisory Council is the enhanced use of quality information, research and knowledge systems for the improvement of services. The council has agreed to develop an agreed set of high-level outcome indicators for community services. Similarly, the Housing Ministers Advisory Council has also encouraged the development of performance indicators that explicitly align with the principles and objectives of the Commonwealth—State Housing Agreement.

High-level endorsements by all jurisdictions on the statements of objectives and the associated indicators are now normally required. The endorsement process ensures that the data are used for worthwhile purposes and fosters a sense of ownership of the data. Many data development exercises in community services and housing assistance have followed this path and are reported in this report.

Improved data in the past few years have assisted the annual Review of Commonwealth—State Service Provision. This review, established in 1993, has now reported for the sixth time (SCRCSSP 2001). In the 2001 report, as a consequence of national data development processes, improved data were reported for many welfare services, in particular housing assistance.

1.4 ABS activities

ABS household surveys on various social topics are important sources of information on social needs and use of services. The national Census of Population and Housing also provides critical small group/area data and base-line information on the demographic, social and housing status of the country. The last Census of Population and Housing was conducted in August 2001.

The ABS is undertaking research to measure Australia's progress and plans to release the first publication in 2002. The ABS gives regard to progress in three domains: economic, social and environmental. A set of indicators, reflecting key dimensions of concern across the domains, is being selected to measure progress.

The ABS household survey program

In 1999, after a review of its household surveys, the ABS finalised a survey program that includes the continuation of most of the current household surveys and the planning of new ones to meet the changing demands of users (ABS 2000). While there will be reductions in the frequency of some of the existing surveys, the overall ABS survey program will provide a range of statistics to monitor the social and economic wellbeing of Australians, and to support the development, implementation and evaluation of government policies and programs.

A number of new survey initiatives are planned by the ABS. A General Social Survey (GSS) will be conducted at regular intervals, starting in 2002. It will collect information on a range of topics, including demography, health (to include a supplementary Indigenous sample), housing, education and training, work, income and expenditure, leisure, communications, travel and transport, family and community participation, and crime. The data collected by the GSS are expected to inform issues relating to living standards and to provide some indicators related to social capital. A new Indigenous Social Survey (ISS) is planned for 2002, and the sample will include households in remote areas.

The ABS has also planned a multi-topic survey that will be run in between GSS collections, using simple interview questions or established question modules. It is likely that housing topics will be included in the first multi-purpose household survey in 2003.

The ABS program does not include a specific housing survey, but housing data will be available from a range of other surveys, including the Survey of Income and Housing Costs.

The national community services industry survey

The ABS has conducted the second national community services survey in respect of the 1999–00 financial year (ABS 2001). It estimates the size and structure of the community services industry and includes the relative contributions of expenditure on community service activity by the government and private sectors. Labour force information is also collected in the survey. The results of the 1999–00 survey showed

that the industry has grown since 1996 (by 15% in terms of the number of organisations, and 7% in terms of number of employees). Some of the results of this survey are included in Chapter 2.

1.5 Developments in longitudinal data and cross-sectoral analysis

The demand for longitudinal data comes from the need to understand the dynamics of change in addition to a cross-sectional description of the change over time. Users of services often use multiple services provided by a service provider, within a program of services and across programs. An understanding of the sequence of events helps to measure service usage and client outcomes within and across service programs. Longitudinal data allow a better analysis of the effectiveness of service provision by also identifying key points in people's lives at which service or interventions might be most effective.

Linking administrative by-product data is an effective and economical way to develop longitudinal data sets. Linkage keys for statistical purposes are collected and used within the Home and Community Care MDS, the Commonwealth/State Disability Agreement MDS and the Supported Accommodation Assistance Program data collection. These linkage keys are designed for policy analytical purposes and are not suitable, intended or available for client management purposes, for which unique identifiers are required. However, statistical linkage has not been undertaken across programs. Privacy issues as well as data access issues are central to any data linkage activity. The NCSIMG is investigating these issues in relation to the development of statistical keys to enable the linking of administrative data over time and across service programs. A project is being conducted to investigate the technical as well as privacy and access issues involved in the creation and use of such linkage keys.

The AIHW has initiated an experimental project to analyse the volume, path and characteristics of clients who move between hospitals and aged care homes through the use of statistical linkage keys.

The Commonwealth Department of Family and Community Services (FaCS) has initiated two longitudinal surveys and has a major project developing longitudinal data from FaCS administrative sources. The first survey is one linking labour market dynamics, income and family structures, as well as retirement. This survey (Household, Income and Labour Dynamics in Australia) is being conducted and is expected to generate the first set of data by 2002. The second longitudinal survey (Longitudinal Survey of Australian Children), funded as part of the Stronger Families and Stronger Communities Strategy, is at a development stage. The first wave of the survey is expected to be in the field by 2003 (see Chapter 5).

A third important activity in developing longitudinal data at FaCS is the extraction of client data from the social security system to form a FaCS Longitudinal Data Set. This data set allows the analysis of client pathways over time. It also gives information on clients' circumstances and the amount and type of assistance they receive. By providing information on the impact of assistance on clients, the data set helps to inform policy review and program design.

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