

Appendix A: Social expenditure framework

The information below is provided as a guide to the OECD's proposed coverage of social security payments which is expected to form the basis of future *Welfare Expenditure Australia* publications.

Table A1: Proposed OECD/GPC social expenditure classification and framework

SOCX	GPC
1. Old age	
Cash benefits	2612—Benefits to ex-service personnel and their dependants (part only)
Pensions	2614—Old age benefits
Early retirement pensions	
Other cash benefits	
Benefits in kind	2622—Welfare services for older people
Residential care/ Home-help services	
Other benefits in kind	
2. Survivors	
Cash benefits	2615—Widows, deserted wives, divorcees and orphans benefits
Pensions	
Other cash benefits	
Benefits in kind	2629—Other welfare services
Funeral expenses	
Other benefits in kind	
3. Incapacity-related benefits (disability, occupational injury and disease, sickness)	
Cash benefits	2611—Sickness benefits
Pensions (Disability)	2612—Benefits to ex-service personnel and their dependants (part only)
Pensions (Occupational injury and disease)	2613—Permanent disability benefits
Paid sick leave (Occupational injury and disease)	
Paid sick leave (Other sickness daily allowances)	
Other cash benefits	
Benefits in kind	2623—Welfare services for people with a disability
Residential care/ Home-help services	
Rehabilitation services	
Other benefits in kind	
4. Health	
Benefits in kind	25xx—Health
Current expenditure on health:	
personal expenditure	
collective expenditure	
5. Family	
Cash benefits	2617—Family and child benefits
Family allowances	2618—Sole parents benefits
Maternity and parental leave	
Other cash benefits	
Benefits in kind	2621—Family and child welfare services
Child day care/Home-help services	
Other benefits in kind:	
personal expenditure	
collective expenditure	

Table A1 (continued): Proposed OECD/GPC social expenditure classification and framework

SOCX	GPC
6. Active labour market programs	
Cash benefits	333x—Labour and employment affairs
Employment service	
Labour market training	
Youth measures	
Subsidised employment	
Employment measures for disabled	
Benefits in kind (details not yet available)	
7. Unemployment	
Cash benefits	2616—Unemployment benefits
Unemployment	
compensation/severance pay	
Early retirement for labour market reasons	
Benefits in kind (details not yet available)	
8. Housing	
Cash benefits	27xx—Housing and community amenities
Housing allowances	
Other cash benefits	
Benefits in kind	2621—Family and child welfare services (part)
Housing assistance	2629—Other welfare services (part)
Other benefits in kind	
9. Other social policy areas	
Cash benefits	2619—Social security, n.e.c.
Income maintenance	
Other cash benefits	
Benefits in kind	2629—Other welfare services (part)
Social assistance	
Other benefits in kind	

Overall the SOCX classification contains 9 major categories (Table A1). The categories proposed to be analysed in future publications would be those that coincide with the GPCs for social security and welfare (GPC 26xx) in the GFS (see 'Technical notes' for definition of welfare services GPCs). This rules out SOCX classifications relating to:

- all expenditure on health (SOCX category 4)
- most active labour market programs (SOCX category 6)
- all cash benefits for housing (SOCX category 8).

The benefits in kind under SOCX category 8 would, however, be included if they come within the scope of GPCs 2621 and 2629. This would also apply to any expenditures that fell within the SOXC sub-category 'Employment measures for disabled' in category 6, which comes under GPC 2623.

Bringing together these types of expenditure would give a more comprehensive overview of the level of support provided to people who are identified as being in need of assistance in Australia. It would also improve the analyses so far as funding and expenditure flows are concerned—especially where direct funding of welfare services is replaced by cash benefits to individuals and families. Reporting income support payments as well as expenditure on service provision would also improve comparability of the data over time and internationally. Under the proposed framework, total expenditure by the Commonwealth government on social security would have been \$48.2 billion in 2000–01 (Table A).

Table A2: Social security payments included in SOCX, current prices, by type, 1998–99 to 2000–01 (\$ million)

Type	1998–99	1999–00	2000–01
Age pension and wife	13,142	13,569	15,599
Wife pension (age)	255	243	233
Disability support pension and wife	4,601	4,920	5,850
Wife pension (disability support)	599	534	447
Carer payment	258	308	1,014
Widow B pension and bereavement allowance	148	106	85
Parenting payment (partnered and single)	3,662	5,367	5,325
Mature age allowance	443	402	353
Partner allowance	532	590	729
Widow allowance	180	227	325
Newstart allowance	5,916	5374	4,885
Sickness allowance	93	93	96
Special benefit	96	100	115
Maternity allowance	184	167	218
Family allowance	6,364	6,351	.. ^(a)
Family tax payment	559	544	.. ^(b)
Double orphan pension	2	2	2
Child disability allowance	248	245	..
Mobility allowance	42	46	59
Family tax benefit	..	..	10,076
Child support	..	..	67
One-off payments to seniors	..	..	537
Self-funded retirees' supplementary bonus	..	..	583
Aged persons saving bonus	..	..	1,581
Total	37,324	39,190	48,179

(a) An overpayment of \$39.5 million occurred in 1999–00 and was reported as recoveries in 2000–01. Adjustment was made to reflect the actual payment in 1999–00.

(b) An overpayment of \$2.3 million occurred in 1999–00 and was reported as recoveries in 2000–01. Adjustment was made to reflect the actual payment in 1999–00.

Source: 1998–99 and 1999–00: FaCS 2001b; 2000–01: FaCS 2001a.

The following GPCs contain the types of social security payments that would probably be included in future analyses, together with a brief description of each component. The types of benefits and their associated eligibility and other criteria may change over time.

GPC2611 Sickness benefit

Sickness Allowance: A means-tested income support for people who are temporarily incapacitated for work or study due to illness and have a job or course of study to which they expect to return.

GPC2612 Benefits to ex-service personnel and their dependants

DVA Services Pension: To deliver means-tested income support pensions and allowances to eligible veterans and their dependants.

DVA Pension and Allowance for veterans and dependants: To compensate eligible veterans and other eligible people for loss of physical or mental wellbeing resulting from incapacity caused by eligible war or defence services, and the effects of that loss on lifestyle.

GPC2613 Permanent disability benefit

Carer Allowance: An annually indexed income supplement available to people who provide daily care and attention to a person who is frail aged, has severe disability or a medical condition. Carer Allowance is not income and asset tested.

Carer Payment: An income support payment for people whose caring responsibilities prevent them from undertaking substantial workforce participation. It is means tested and paid at the same rate as other social security income support payments.

Disability Support Pension: A means-tested income support payment for people with a physical, intellectual or psychiatric impairment resulting in an inability to work full-time.

Mobility Allowance: An income supplement, not means-tested, that is aimed at assisting with transport costs for people with disabilities who are in employment, vocational training, a combination of work or training, voluntary work or job search who are unable to use public transport without substantial assistance.

Wife Pension (DSP): An income support payment available to female partners of Disability Support Pension recipients who were on payment as at 30 June 1995. Since 1 July 1995, this payment has been closed to new applicants.

GPC2614 Old age benefits

Age Pension: A safety net payment for people of Age Pension age who cannot support themselves fully in retirement. Aged Pension age is currently 65 for men and 62 and above for women. The alignment of qualifying ages (to 65) will occur on 1 January 2014.

Wife Pension (Age): For the female partner of age pensioners (for those who claimed before 1 July 1995).

GPC2615 Widows, deserted wives, divorcees and orphans benefits

Bereavement Allowance: A short-term payment available to recently widowed people without dependant children in the period immediately following the death of a spouse or partner. It is payable for up to 14 weeks only. The Department of Family and Community Services (FaCS) makes bereavement payments to people under various international social security agreements.

Double Orphan Pension: A payment, not means-tested, for children with at least one deceased parent, who cannot have contact with the other (for example, because that parent is a long-term prisoner or his/her whereabouts are unknown).

Special Benefit: Provides assistance to people in severe financial need and for whom no other pension, allowance or other support is available.

Widow Allowance: An income support payment for older single women who lost a spouse after they were aged 40 and who have no recent workforce experience.

DVA pension for war widows and dependants: To compensate dependants for the death of a spouse/partner or parent as the result of eligible war or defence service.

GPC2616 Unemployment benefits

Newstart Allowance: Paid to people 21 years or over and under Age Pension age who are unemployed. Newstart Allowance recipients must satisfy the activity test by actively seeking work and/or undertaking an activity designed to improve their employment prospects. They also must accept offers of suitable employment.

Mature Age Allowance: An income support payment for some unemployed people aged 60 years to Age Pension age who have no recent workforce experience.

GPC2617 Family and child benefits and support programs

Family Allowance: This allowance has been replaced by Family Tax benefits as of 1 July 2001.

Family Tax Payment: The Family Tax Payment has been replaced by the Family Tax Benefit as of 1 July 2000.

Family Tax Benefit (part A): Paid to families with children up to 21 years and young people between 21 and 24 who are studying full-time (and not receiving Youth Allowance or a similar payment).

Family Tax Benefit (part B): Paid to families with only one main income earner, particularly those with children under 5. It is paid for children up to 16 years and children between 16 and 18 who are studying full-time.

Maternity Allowance: A one-off lump sum paid at around the time of the birth of a baby. Claimants must be eligible for Family Tax Benefit, Part A within 13 weeks of the child being born or, for adopted children, within 13 weeks of the child being entrusted into the care where the child was less than 26 weeks old at the date of placement.

Child Support Program: Provides services to assist in ensuring the payment of child support.

Childcare Benefits: Scaled assistance to families using approved childcare services or registered carers. This assistance is proportionally higher for lower income families.

Parenting Payment: Paid to one parent who is the primary carer of a dependent child. Parenting Payment (partnered), payable to partnered parents. FaCS pays Parenting Payment to people under various international social security agreements.

Partner Pension and Benefit: A non-activity tested income support payment for partners who were born on or before 1 July 1955, have no dependent children and no recent workforce experience.

GPC2618 Sole parent benefits

Parenting Payment: Paid to one parent who is the primary carer of a dependent child. Only Parenting Payment (single), payable to sole parents.

Appendix B: Tables

Table B1: Recurrent and capital expenditure on welfare services in the government sector, current prices, 1998-99 to 2000-01

	Commonwealth		State and Territory		Local		Total government (\$m)
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	
Recurrent							
1998-99	3,672	97.4	4,254	99.0	205	89.6	8,130
1999-00	3,987	98.7	4,676	98.9	216	91.8	8,880
2000-01	4,253	98.3	4,965	98.7	214	101.3	9,432
3-year average		98.1		98.8		94.0	
Capital							
1998-99	100	2.6	45	1.0	24	10.4	168
1999-00	54	1.3	51	1.1	19	8.2	124
2000-01	76	1.7	67	1.3	-3	-1.3	140
3-year average		1.9		1.2		6.0	
Total							
1998-99	3,771	100.0	4,299	100.0	229	100.0	8,299
1999-00	4,042	100.0	4,727	100.0	235	100.0	9,004
2000-01	4,329	100.0	5,032	100.0	212	100.0	9,573

Source: AIHW welfare services expenditure database.

Table B2: State and Territory governments' own recurrent funding of welfare services, current prices, 1998-99 to 2000-01 (\$ million)

Service type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Family and child welfare services									
1998-99	490	545	136	136	75	32	42	17	1,474
1999-00	526	566	161	178	94	30	44	16	1,615
2000-01	564	581	171	195	95	27	31	15	1,679
Welfare services for older people and people with disabilities									
1998-99	1,043	641	85	191	167	92	24	13	2,257
1999-00	1,120	668	87	251	225	87	24	12	2,474
2000-01	1,219	726	124	284	204	86	29	12	2,685
Other welfare services									
1998-99	137	127	148	53	32	13	9	3	522
1999-00	146	130	181	70	39	12	6	4	588
2000-01	154	129	201	74	13	10	16	3	601
Total welfare services									
1998-99	1,671	1,312	369	381	275	137	76	33	4,254
1999-00	1,792	1,363	429	500	357	129	74	32	4,676
2000-01	1,937	1,436	496	554	312	123	77	30	4,965

Source: AIHW welfare services expenditure database.

Table B3: Government recurrent funding^(a) of State and Territory welfare services in current prices, 1998-99 to 2000-01 (\$ million)

Service type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Family and child welfare services									
1998-99	517	569	160	158	97	52	62	37	1,650
1999-00	557	593	188	202	116	50	64	37	1,808
2000-01	599	613	200	222	121	51	55	38	1,898
Welfare services for older people and people with a disability									
1998-99	1,367	698	267	279	271	124	35	20	3,261
1999-00	1,457	929	274	340	332	120	35	20	3,508
2000-01	1,586	1,015	336	385	322	122	43	21	3,830
Other welfare services									
1998-99	165	145	160	62	39	16	11	5	603
1999-00	174	154	198	80	45	16	9	7	683
2000-01	192	146	221	84	19	13	19	6	699
Total welfare services									
1998-99	2,048	1,611	587	499	407	192	108	62	5,515
1999-00	2,188	1,677	660	623	493	186	108	63	5,999
2000-01	2,377	1,774	757	691	462	186	116	65	6,428

(a) Funding by State and Territory Governments plus SPPs from the Commonwealth, only.

Source: AIHW welfare services expenditure database.

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