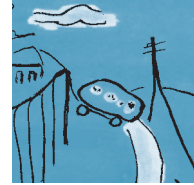


7 | Welfare services resources



7.1 Introduction

While other chapters include a wealth of information on the numbers and nature of various types of welfare services and related benefits, this chapter brings information on them together, using common ways of describing them:

- in terms of the amounts of money spent on them
- in terms of the staffing and other human resources applied to them.

Using information on expenditure and human resources allows comparisons to be made of the amount and overall nature of services. Information on expenditure allows us to understand, for example, whether aged care is a 'larger' component of welfare services than disability services, and to what extent the services are accompanied by benefits such as cash payments or concessions. Information on staffing allows us to understand whether aged care services, for example, employ more staff, or a different mix of staff, compared with child care services.

In bringing information together on the various welfare services, this chapter also provides:

- a whole-of-government view of welfare service provision, relating to the separate components of the Australian Government, the separate components of the state and territory governments, and all governments
- a view of welfare services that encompasses the involvement of both government and non-government sectors (for profit, and not-for profit), and households
- a view of welfare services that encompasses service provision for people at all life stages
- comparisons of Australia's welfare expenditure with that of other countries.

What are the questions that can be answered using information on expenditure and human resources for welfare? In general terms, the information in this chapter answers questions such as:

- What amounts are spent on welfare services in Australia? How have they been changing over time?
- Who has been spending the money? What types of services and benefits is the money spent on?
- What is the source of the money for welfare—governments, non-government sources, individuals? How have the sources changed over time?
- How does our expenditure compare internationally?
- How many people are employed to provide welfare services? Where do they work? What are their characteristics? Have the characteristics changed over time?
- Are there workforce shortages? How many potential entrants to the welfare workforce are there?

- What is the role and contribution of unpaid volunteers and informal carers in provision of welfare services?

The scope of this chapter

This chapter presents information on financial resources for welfare and for welfare services, and on human resources relevant to the major areas of welfare services. The scope differs to some extent according to the availability of data and the purpose of the analysis. In general terms, however:

- The scope of information on expenditure and funding of welfare and welfare services is based on the Australian Bureau of Statistics' (ABS) Government Purpose Classification (GPC) categories of welfare for families and children, for the aged, for those with disability and others (Box 7.1).
- The scope of information on human resources for welfare services is based on the ABS's categories for community services industries and community services occupations (see Section 7.7).

This means that the scope for this chapter can differ from the scope of other chapters in this report. Financial resources for welfare services defined according to the four GPC categories do not include all government expenditure on welfare services programs in Australia (Table 7.1). For example, some programs relevant to people with disability fall into categories such as education, health, and housing and community development. Among these programs are grants by the Australian Government to state and territory governments for special education programs for people with disability, which are classified in the education category. People with disability may receive hearing aids, expenditure on which is classified in the health category.

Box 7.1: Government Purpose Classification for financial information

The sections in this chapter on financial resource use the ABS GPC to present the data on the financial transactions involved in providing welfare services:

- family and child welfare services (GPC 2621)
- welfare services for the aged (GPC 2622)
- welfare services for people with disability (GPC 2623)
- other welfare services not elsewhere classified (n.e.c.) (GPC 2629).

Other expenditure data, mainly relating to specific programs and/or specific funding sources, are included in the ageing and aged care, the disability and disability services, and children's services chapters. As noted above, they may include program expenditures outside the scope of the welfare services categories used in this chapter so will not necessarily match the data presented here.

How the resources devoted to welfare have changed over time depends on a number of factors, including population growth, inflation rate and government policies. This chapter includes some notes about major changes to policy that resulted in marked changes to financial and/or human resources for welfare. More detail about changes to policies relating to welfare over the last few years is included in the other chapters in this report.

Table 7.1: Government programs of policy relevance to particular welfare areas, by Government Purpose Classification (GPC) in 2004–05

| | Welfare areas | | | |
|--|---|--|--|---|
| Government Purpose Classification | Assistance to families/ people in crisis | Children's services | Housing assistance | Aged care services |
| Education | | | | |
| Health | | | | |
| Welfare services | <ul style="list-style-type: none"> Supported Accommodation Assistance Program Youth services Counselling Child protection Support for carers | <ul style="list-style-type: none"> Preschool services Long day care Before and after school care Occasional care Family day care Child care for migrants Subsidies for child care costs | | <ul style="list-style-type: none"> Community Aged Care Packages High and low care residential care Transport concessions Aged care assessment Support for carers |
| Social security | <ul style="list-style-type: none"> Family payments | | <ul style="list-style-type: none"> Rent assistance | <ul style="list-style-type: none"> Age Pensions Department of Veterans' Affairs pensions Carer Payment, Carer Allowance and Wife Pension |
| Housing and community development | | | <ul style="list-style-type: none"> Aboriginal rental housing program Loan and mortgage subsidies Crisis Accommodation Program | <ul style="list-style-type: none"> Disability Support Pension Mobility allowance Carer Payment, Carer Allowance Wife Pension (DSP) Sickness allowance Accommodation |
| Recreation and culture | | | <ul style="list-style-type: none"> Crisis Accommodation Program Senior citizen centres | |

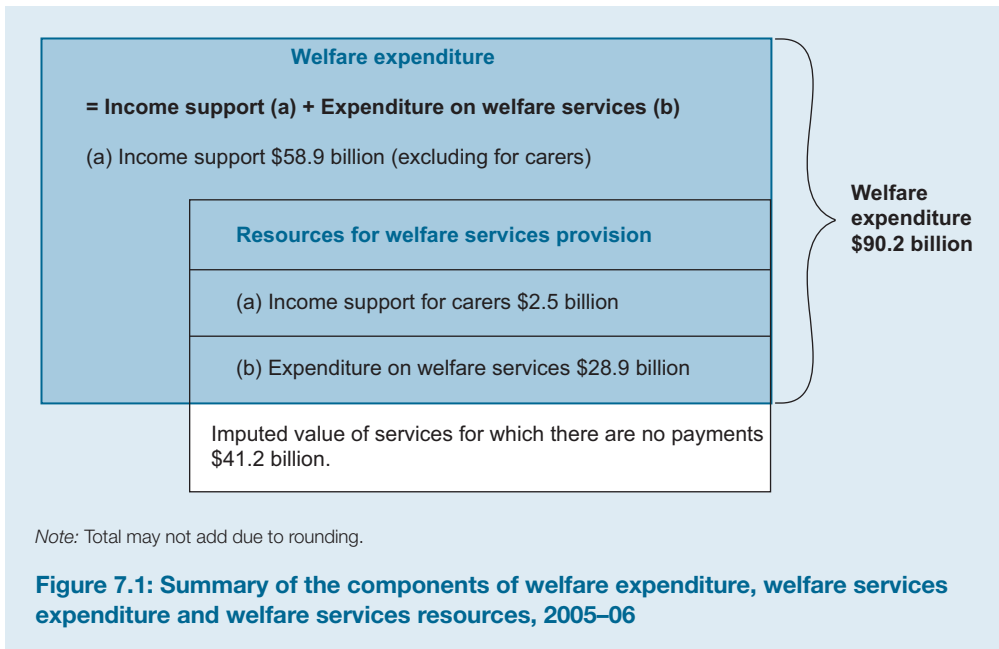
7.2 Total financial and human resources for welfare

This section presents a summary of the estimated total financial and human resources for welfare in Australia.

Financial resources are summarised in Figure 7.1. They include expenditure on (or funding for):

- ‘welfare expenditure’, defined as the combined total of the expenditure on welfare services that give ‘benefits-in-kind’ and the expenditure on direct income support, ‘cash benefits’. In 2005–06, total welfare expenditure was \$90.2 billion, of which \$61.4 billion (68%) were cash benefits or income support and the remaining \$28.9 billion (32%) were benefits-in-kind (Table 7.17).
- ‘welfare services resources’ has three components: services for which payments are made (and for which there was a ‘benefit-in-kind’), payments to carers, and the imputed value of services for which there are no payments. The total value of resources used in providing welfare services during 2005–06 was estimated at \$72.6 billion. Of this, 39.8% (\$28.9 billion) related to services for which expenditure was incurred. Of the remaining \$43.7 billion, some \$41.2 billion was ‘imputed’ as the value of services where no payments or expenses were actually incurred (Box 7.2). The remaining \$2.5 billion was payments to carers by the Australian Government through the social security system. This is treated separately from other types of income support because care or services are provided by carers, who receive the payments.

More details on welfare expenditure (including cash benefits) are in Section 7.5. More details on the \$28.9 billion expenditure on welfare services for which payments are made are in sections 7.3 and 7.4.



Box 7.2: Valuing unpaid work

Services that are provided to recipients without charge, so that no financial transaction is involved, include care that families or neighbours provide to older people and people with disability. They also include the work that volunteers do through non-government community service organisations that provide welfare services. The value of these unpaid welfare services has been estimated in this section, to give a comprehensive picture of the total value of welfare services provided to Australians.

In valuing unpaid time spent by members of households in providing welfare services, the average time per day spent by them in 2005–06 was assumed to be similar to that identified in the 1997 time use survey conducted by the ABS (ABS 1999). This was adjusted by changes in the size of population subgroups between 1997–98 and 2005–06. For this report, a further adjustment was made for the male and female populations aged 15–64 years, to take account of changes in the proportions of those populations that were employed. This was considered to have a potential effect on the quantity of time available to those people to provide unpaid welfare services.

The estimated hours spent in providing welfare services was multiplied by the average hourly rates of pay for ‘Community and personal service workers’ (ABS 2006a) that might have been incurred for an appropriately qualified person to provide the care identified in the time use study.

The number of full-time equivalent (FTE) persons was derived by dividing the number of hours spent in providing welfare services by weekly hours paid for full-time non-managerial adult employees times 48 weeks.

The paid resources in welfare services provision in 2005–06 encompassed the following:

- for the government sector:
 - employee expenses (wages, salaries, superannuation) in providing administrative or program management and direct services provision
 - program costs, including grants and subsidies to providers of welfare services
 - concessions on core public utilities (council rates, water and sewerage rates, public transport, electricity and gas, and motor vehicle registration) to eligible recipients
 - capital expenditures such as Community Aged Care Package establishment grants to service providers from the Department of Health and Ageing.
- for the non-government sector:
 - client fees for services
 - operating expenses for non-government community services organisations (NGCSOs) (including employee expenses as for the government sector above) from their own funding sources, that is, their total operating expenses less government funding in the form of grants and subsidies, and less client fees.

Figure 7.2 summarises the financial and human resources devoted to welfare services in Australia in 2005–06. The paid workforce providing these services was estimated at around 481,000 full-time equivalent (FTE) workers in 2005–06. The unpaid workforce of carers and others was estimated to be about twice the number of the paid workforce in terms of FTE. However, within the unpaid workforce, there are carers of older Australians

and people with disability who received Carer Allowance and/or Carer Payments. The amount of Carer Allowance and Carer Payment, which in 2005–06 was \$2.5 billion, is listed separately from the \$41.2 billion that is the value of all other services provided by the unpaid workforce. Altogether the unpaid workforce delivered services with a value of \$43.7 billion. Combined, the paid and unpaid workforces provided services valued at \$72.6 billion.

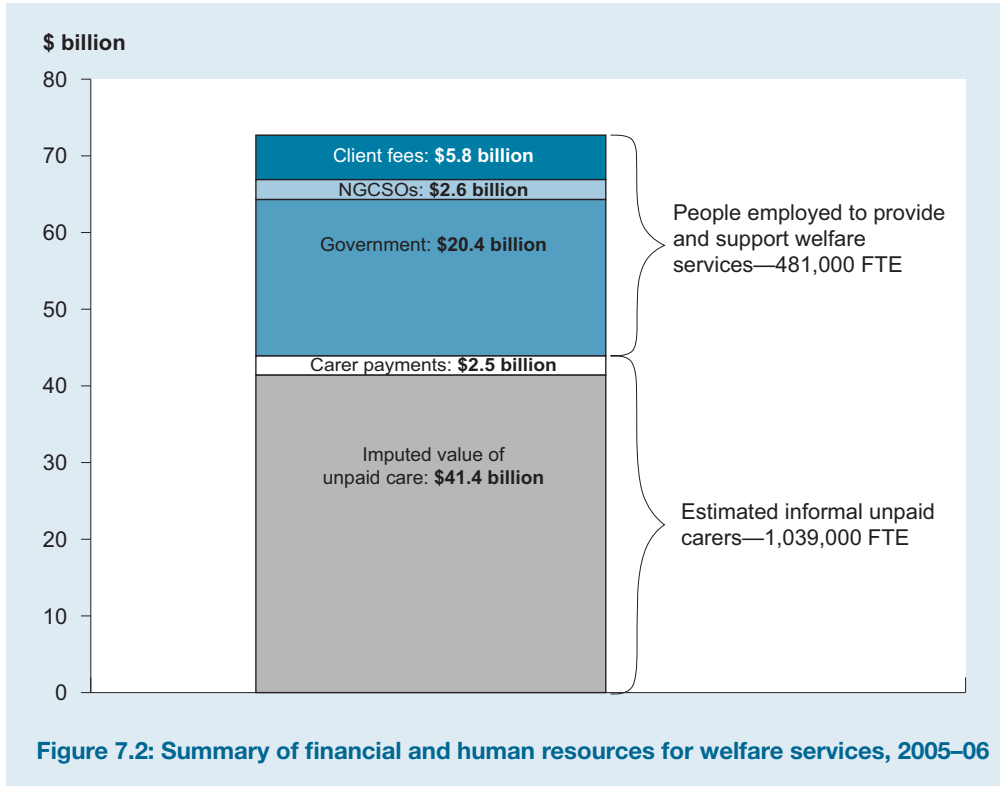


Figure 7.2: Summary of financial and human resources for welfare services, 2005–06

7.3 Expenditure on welfare services

In 2005–06, total expenditure on welfare services (Box 7.3), in current prices, was estimated at \$28.9 billion, 3.0% of GDP (gross domestic product) (Table 7.2). This amount includes only expenditure on services for which payments were made (that is, there was a benefit-in-kind received). Unlike the description of financial resources for welfare services in Section 7.2, it does not include payments to carers by the Australian Government nor the imputed value of services for which there are no payments.

Comparing constant prices expenditure (expenditure adjusted for inflation), there was an annual average growth of 3.7% in welfare services expenditure between 1998–99 and 2005–06, and an annual growth of GDP of 3.2% over the same period. The highest real growth in welfare services expenditure was 7.8% in 2003–04. GDP growth rate was also the highest at 4.1% in that year. Welfare services expenditure as a proportion of GDP in current prices was fairly constant over this period at around 3.0% of GDP. Welfare services expenditure now includes high care residential aged care, which was previously classified as health expenditure. Hence these data are not comparable with previously published estimates.

Box 7.3: Defining welfare expenditure and funding

Welfare expenditure

Welfare expenditure is reported in terms of who incurs the expenditure, rather than who ultimately provides the funding for that expenditure. Expenditure on welfare services in Australia involves all three levels of government (Australian Government, state and territory, and local), non-government community service organisations and individual households. In the case of disability services, for example, expenditures are incurred by the states and territories, the Australian Government and by non-government organisations that provide services. Disability support pensions are expenditures incurred by the Australian Government.

Welfare funding

Welfare funding is reported in terms of who provides the funds that are used to pay for the provision of welfare services. Many of the services are funded by the Australian, state and territory and local governments. Non-government community service organisations fund some services from donations and others from their own resources. Households also pay part of the costs of various welfare services such as child care. Some welfare services are effectively funded by voluntary carers and others who give freely of their time and effort in the service of friends, neighbours or the community generally.

At the macro level, expenditure equals funding—all expenditure is funded from one source or another.

Table 7.2: Welfare services expenditure, current and constant prices, share of GDP, GDP in constant prices and annual growth, 1998–99 to 2005–06

| | Current prices | | Constant prices ^(a) | | | |
|-----------------------------------|-------------------|-------------------------|--------------------------------|------------------------------------|-----------|-----------------------|
| | Expenditure (\$m) | Share of GDP (per cent) | Expenditure (\$m) | Welfare services growth (per cent) | GDP (\$m) | GDP growth (per cent) |
| 1998–99 | 17,748 | 2.9 | 22,432 | .. | 774,632 | .. |
| 1999–00 | 18,343 | 2.8 | 22,765 | 1.5 | 805,440 | 4.0 |
| 2000–01 | 19,755 | 2.9 | 23,499 | 3.2 | 821,120 | 1.9 |
| 2001–02 | 20,795 | 2.8 | 24,025 | 2.2 | 852,043 | 3.8 |
| 2002–03 | 23,007 | 2.9 | 25,744 | 7.2 | 878,901 | 3.2 |
| 2003–04 | 25,420 | 3.0 | 27,758 | 7.8 | 914,521 | 4.1 |
| 2004–05 | 26,897 | 3.0 | 28,164 | 1.5 | 938,998 | 2.7 |
| 2005–06 | 28,875 | 3.0 | 28,875 | .2.5 | 966,442 | 2.9 |
| Average annual growth rate | | | | | | |
| 1998–99 to 2005–06 | — | — | — | 3.7 | — | 3.2 |

(a) Constant price estimates are expressed in terms of 2005–06 prices.

Source: AIHW 2007.

Most expenditure on welfare services is for recurrent purposes. These are payments for wages and salaries and other operating expenses or running costs incurred by governments, non-government organisations and individuals in providing welfare services and in managing welfare services programs. In 2005–06, recurrent expenditure was estimated at \$28,490 million, and \$385 million was capital expenditure by governments (Table 7.3).

The average expenditure on welfare services per Australian resident in 2005–06 was \$1,404, up \$77 from 2004–05 and \$461 from 1998–99 (Table 7.4). Per person expenditure grew, in real terms, by 2.4% per year over the period between 1998–99 and 2005–06.

Table 7.3: Welfare services expenditure, by type of expenditure, current prices, 1998–99 to 2005–06 (\$m)

| | Recurrent expenditure | Capital expenditure ^(a) | Total |
|---------|-----------------------|------------------------------------|--------|
| 1998–99 | 17,545 | 203 | 17,748 |
| 1999–00 | 18,110 | 234 | 18,343 |
| 2000–01 | 19,480 | 275 | 19,755 |
| 2001–02 | 20,590 | 205 | 20,795 |
| 2002–03 | 22,782 | 225 | 23,007 |
| 2003–04 | 25,144 | 275 | 25,420 |
| 2004–05 | 26,596 | 301 | 26,897 |
| 2005–06 | 28,490 | 385 | 28,875 |

(a) Only includes capital expenditure that was funded by governments.

Note: Total may not add due to rounding.

Source: AIHW 2007.

Table 7.4: Average welfare services expenditure per person, current and constant prices and annual real growth, 1998–99 to 2005–06 (\$)

| Year | Current prices | Constant prices ^(a) | Annual real growth (per cent) |
|-----------------------------------|----------------|--------------------------------|-------------------------------|
| 1998–99 | 943 | 1,192 | .. |
| 1999–00 | 963 | 1,195 | 0.3 |
| 2000–01 | 1,024 | 1,219 | 1.9 |
| 2001–02 | 1,064 | 1,230 | 0.9 |
| 2002–03 | 1,163 | 1,301 | 5.8 |
| 2003–04 | 1,269 | 1,386 | 6.5 |
| 2004–05 | 1,327 | 1,389 | 0.2 |
| 2005–06 | 1,404 | 1,404 | 1.1 |
| Average annual growth rate | | | |
| 1998–99 to 2005–06 | — | — | 2.4 |

(a) Constant price estimates are expressed in terms of 2005–06 prices.

Source: AIHW 2007.

Of the total welfare services expenditure, the proportion incurred by NGCSOs has been higher than for government and households. It rose from 63% in 1998–99 to 70% in 2005–06. The proportion of expenditure incurred by government fell from 36% in 1998–99 to 29% in 2005–06. The proportion of expenditure incurred by households has been low, at less

than 1% on average for the period 1998–99 to 2005–06 (Table 7.5). However, the estimates of expenditure incurred by households are exclusively fees provided for the provision of informal child care services. While there are carers for older people and people with disability that are provided by the informal sector, there is not enough information available to accurately estimate expenditure relating to client fees for the services they provide.

Of the total welfare services expenditure of \$28.9 billion, NGCSOs incurred about 70% (\$20.3 billion) (Table 7.5), indicating that they were the predominant providers of welfare services.

Table 7.5: Welfare services expenditure, by sector incurring expenditure, current prices, 1998–99 to 2005–06 (per cent)

| Year | Sector incurring expenditure | | | All sectors (\$m) |
|---------|------------------------------|--------|---------------------------|-------------------|
| | Governments ^(a) | NGCSOs | Households ^(b) | |
| 1998–99 | 36.3 | 62.6 | 1.1 | 17,748 |
| 1999–00 | 34.1 | 65.0 | 1.0 | 18,343 |
| 2000–01 | 34.8 | 64.4 | 0.8 | 19,755 |
| 2001–02 | 33.1 | 66.2 | 0.7 | 20,795 |
| 2002–03 | 32.6 | 66.7 | 0.7 | 23,007 |
| 2003–04 | 28.6 | 70.6 | 0.7 | 25,420 |
| 2004–05 | 26.9 | 72.3 | 0.8 | 26,897 |
| 2005–06 | 28.9 | 70.3 | 0.8 | 28,875 |

(a) Government expenditure includes that of the Australian Government, state and territory governments and local governments.

(b) Includes only estimated fees provided for the provision of informal child care services by households.

Note: Total may not add due to rounding.

Sources

Australian Government—compiled from Department of Immigration and Ethnic Affairs unpublished data; Department of Veterans' Affairs unpublished data; DEWR 2005, 2006a; DHAC 1999, 2000, 2001; DoHA 2002, 2003, 2004, 2005, 2006; FaCS 1999, 2000, 2001, 2002, 2003, 2004, 2005; FACSIA 2006.

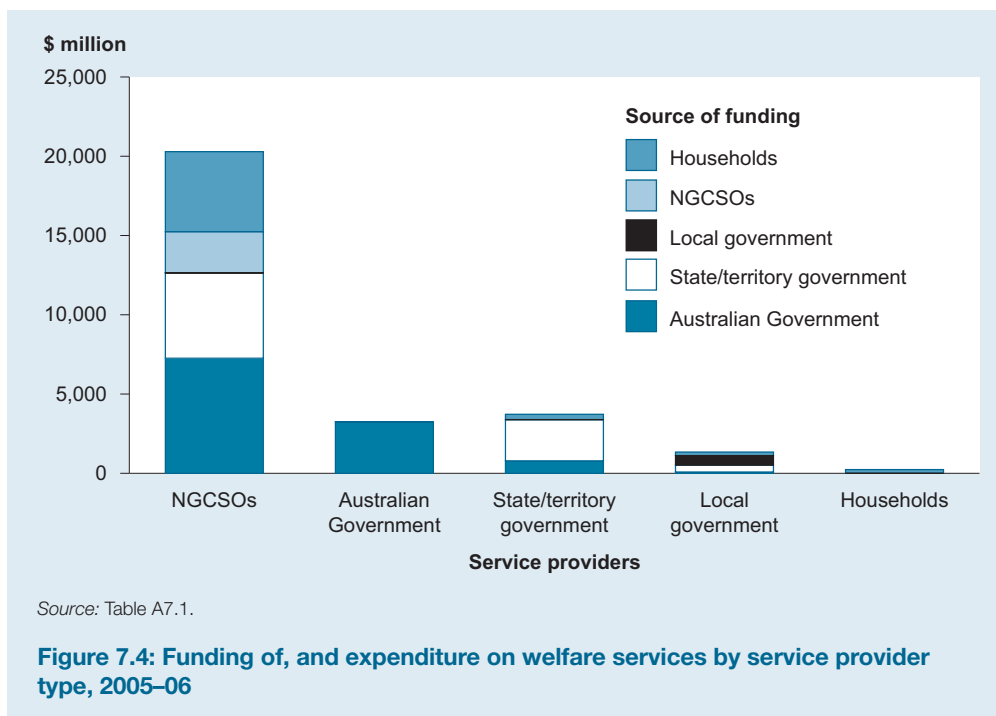
State/territory government—Recurrent expenditure: ABS unpublished public finance data; SCRGSP 2006, 2007; Capital expenditure: ABS unpublished public finance data; Victoria: Department of Human Services Victoria unpublished data for 1998–99 to 2004–05, AIHW estimates for 2005–06.

Local government—ABS unpublished public finance data.

NGCSOs—AIHW estimates based on a sample of NGCSOs' financial reports (about 900).

Household sector—Child care service clients' contribution estimated by AIHW from ABS 1997a, 2000, 2003, 2006b; Other services provided by governments: ABS unpublished public finance data; Services provided by NGCSOs: AIHW estimates based on a sample of NGCSOs' financial reports.

Figure 7.3 combines information on expenditure by provider type and the funding source; detailed information on funding sources is in Section 7.4. It shows that, although most expenditure was provided by NGCSOs, the majority of welfare services expenditure was funded by governments (about 71%). NGCSOs funded about 9% of welfare services expenditure from their own resources. Among the three levels of government, the Australian Government was predominantly a funder of services rather than a provider, funding 40% and providing 11%. State and territory governments funded 29% and provided 13%, while local governments funded 2% and provided 5% of services (see Table A7.1).



7.4 Funding for welfare services

This section describes the sources of funding for welfare services expenditure in 2005–06. As in Section 7.3, the amounts include only expenditure on services for which payments were made (that is, there was a benefit-in-kind received) and does not include payments to carers by the Australian Government nor the imputed value of services for which there are no payments.

As summarised in Figure 7.3, funding for welfare services comes largely from governments, particularly the Australian Government and state and territory governments. Local governments also provide funding for some welfare services. Households that use welfare services are charged fees for some services that are provided by governments, NGCSOs and individuals in the informal sector. NGCSOs use their own resources to support some of the welfare services that they provide.

In 2005–06, 71% (\$20.4 billion) of welfare services expenditure was funded by governments, with the remaining 29% (\$8.4 billion) funded by the non-government sector (Table 7.6). In current prices, funding by the Australian Government, state and territory governments, local governments and households rose, compared with 2004–05. Funding by NGCSOs fell.

Between 1998–99 and 2005–06, the share of welfare services expenditure funded by NGCSOs was highest in 2003–04 (12%) and lowest in 2005–06 (9%). The highest share for governments was in 2001–02 (72%) and for households, it was in 2005–06 (20%).

Table 7.6: Funding for welfare services by source, current prices, 1998–99 to 2005–06 (\$m)

| Year | Government funding sources | | | | Non-government funding sources | | | Total funding |
|---|----------------------------|---------------------|-------|--------|--------------------------------|------------|-------|---------------|
| | Australian Government | State and territory | Local | Total | NGCSOs | Households | Total | |
| Amount (\$ million) | | | | | | | | |
| 1998–99 | 7,062 | 5,174 | 254 | 12,490 | 1,713 | 3,545 | 5,258 | 17,748 |
| 1999–00 | 7,107 | 5,519 | 249 | 12,875 | 1,914 | 3,554 | 5,468 | 18,343 |
| 2000–01 | 8,099 | 5,798 | 238 | 14,134 | 1,951 | 3,670 | 5,621 | 19,755 |
| 2001–02 | 8,542 | 6,024 | 314 | 14,879 | 2,000 | 3,915 | 5,915 | 20,795 |
| 2002–03 | 9,175 | 6,515 | 616 | 16,306 | 2,392 | 4,309 | 6,700 | 23,007 |
| 2003–04 | 10,242 | 6,883 | 627 | 17,753 | 2,973 | 4,694 | 7,667 | 25,420 |
| 2004–05 | 10,708 | 7,701 | 537 | 18,947 | 2,660 | 5,291 | 7,950 | 26,897 |
| 2005–06 | 11,413 | 8,414 | 610 | 20,437 | 2,589 | 5,848 | 8,438 | 28,875 |
| Proportion of total funding (per cent) | | | | | | | | |
| 1998–99 | 39.8 | 29.2 | 1.4 | 70.4 | 9.7 | 20.0 | 29.6 | 100.0 |
| 1999–00 | 38.7 | 30.1 | 1.4 | 70.2 | 10.4 | 19.4 | 29.8 | 100.0 |
| 2000–01 | 41.0 | 29.3 | 1.2 | 71.5 | 9.9 | 18.6 | 28.5 | 100.0 |
| 2001–02 | 41.1 | 29.0 | 1.5 | 71.6 | 9.6 | 18.8 | 28.4 | 100.0 |
| 2002–03 | 39.9 | 28.3 | 2.7 | 70.9 | 10.4 | 18.7 | 29.1 | 100.0 |
| 2003–04 | 40.3 | 27.1 | 2.5 | 69.8 | 11.7 | 18.5 | 30.2 | 100.0 |
| 2004–05 | 39.8 | 28.6 | 2.0 | 70.4 | 9.9 | 19.7 | 29.6 | 100.0 |
| 2005–06 | 39.5 | 29.1 | 2.1 | 70.8 | 9.0 | 20.3 | 29.2 | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Funding by governments

A little over half (56%) of estimated recurrent funding by governments for welfare services in 2005–06 came from the Australian Government (Table 7.7). The shares of funding by the three levels of government varied to some extent during the period from 1998–99 to 2005–06. When the share of the Australian Government funding was high, the share of the state and territory government funding was low, and vice versa. The range of funding by the Australian Government was between 55% in 1999–00 and 58% in 2003–04, while the share of state and territory government funding ranged between 39% in 2003–04 and 43% in 1999–00. The local government share varied between 1.7% in 2000–01 and 3.8% in 2002–03.

Only recurrent funding by the Australian Government and the state and territory governments is included in the remainder of the discussion of government funding of welfare services. This is because data are not available to allow reliable disaggregation of funding by local governments by area of expenditure. Hence the term ‘government funding’ used in the rest of this section refers to recurrent funding by the Australian Government and state and territory governments.

Table 7.7: Recurrent government funding for welfare services, by level of government, current prices, 1998–99 to 2005–06

| | Australian Government | State and territory government | Local government | Total | Total government |
|---------|-----------------------|--------------------------------|------------------|-------|------------------|
| | Per cent | | | | \$m |
| 1998–99 | 56.5 | 41.4 | 2.0 | 100.0 | 12,490 |
| 1999–00 | 55.2 | 42.9 | 1.9 | 100.0 | 12,875 |
| 2000–01 | 57.3 | 41.0 | 1.7 | 100.0 | 14,134 |
| 2001–02 | 57.4 | 40.5 | 2.1 | 100.0 | 14,879 |
| 2002–03 | 56.3 | 40.0 | 3.8 | 100.0 | 16,306 |
| 2003–04 | 57.7 | 38.8 | 3.5 | 100.0 | 17,753 |
| 2004–05 | 56.5 | 40.6 | 2.8 | 100.0 | 18,947 |
| 2005–06 | 55.8 | 41.2 | 3.0 | 100.0 | 20,437 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Government funding for welfare services grew in real terms at 3.5% per year between 1998–99 and 2005–06 (Table 7.8). The most rapid growth was in welfare services for families and children, averaging 6.2% per year over the period. The second highest growth area was in welfare services for people with disability. This averaged 4.0% per year over the period. Average annual rate of growth of funding for older people and other recipients of welfare services were 2.3% and 1.8% respectively.

Some of the significant year-on-year increases shown in Table 7.8 can be attributed to particular initiatives. The high growth of 8.3% for families and children in 2004–05 was due partly to an increase in child care benefits from \$1,388 million in 2003–04 to \$1,463 million in 2004–05. Growth of 11% in welfare services expenditure for older people in 2003–04 was partly due to a one-off payment in 2003–04 of \$518 million (in current prices) to approved residential aged care providers for improvements to safety and building standards (DoHA 2004:134). In current price terms, funding for community care and support for carers also increased in 2003–04 by \$87 million—from \$1,106 million in 2002–03 to \$1,193 million in 2003–04 (DoHA 2004:128). Growth of 7.8% in welfare services for people with disability in 2002–03 was due mainly to the increase in state government funding from \$2.6 billion in 2001–02 to \$2.9 billion in 2002–03.

The share of funding between the Australian Government and state and territory governments varied for the four welfare services categories (tables 7.10 to 7.13). Between 1998–99 and 2005–06, the Australian Government's share was higher for welfare services for older people (78% on average) and welfare services for families and children (53%). The state and territory governments' share was higher for welfare services for people with disability (68%) and for other welfare services (76%).

Table 7.8: Recurrent funding of welfare services by the Australian, state and territory governments, by major area of expenditure, constant prices^(a), and annual real growth, 1998–99 to 2005–06

| Year | Families and children | | Older people | | People with disability | | Other recipients of welfare services | | Total welfare services | |
|-----------------------------------|-----------------------|-------------------|--------------|-------------------|------------------------|-------------------|--------------------------------------|-------------------|------------------------|-------------------|
| | Amount (\$m) | Growth (per cent) | Amount (\$m) | Growth (per cent) | Amount (\$m) | Growth (per cent) | Amount (\$m) | Growth (per cent) | Amount (\$m) | Growth (per cent) |
| 1998–99 | 3,013 | .. | 7,653 | .. | 3,599 | .. | 1,026 | .. | 15,291 | .. |
| 1999–00 | 3,481 | 15.6 | 7,336 | -4.1 | 3,759 | 4.5 | 896 | -12.6 | 15,474 | 1.2 |
| 2000–01 | 3,546 | 1.9 | 7,932 | 8.1 | 3,781 | 0.6 | 1,024 | 14.2 | 16,283 | 5.2 |
| 2001–02 | 3,996 | 12.7 | 7,811 | -1.5 | 3,946 | 4.4 | 876 | -14.5 | 16,629 | 2.1 |
| 2002–03 | 4,106 | 2.8 | 8,093 | .6 | 4,254 | 7.8 | 942 | 7.6 | 17,396 | 4.6 |
| 2003–04 | 4,187 | 2.0 | 8,953 | 10.6 | 4,438 | 4.3 | 906 | -3.6 | 18,484 | 6.3 |
| 2004–05 | 4,535 | 8.3 | 8,854 | -1.1 | 4,563 | 2.8 | 1,050 | 15.9 | 19,003 | 2.8 |
| 2005–06 | 4,597 | 1.4 | 8,987 | 1.5 | 4,739 | 3.9 | 1,165 | 10.9 | 19,489 | 2.6 |
| Average annual growth rate | | | | | | | | | | |
| 1998–99 to 2005–06 | — | 6.2 | — | 2.3 | — | 4.0 | — | 1.8 | — | 3.5 |

(a) Expressed in terms of 2005–06 prices.

Note: Total may not add due to rounding.

Source: AIHW 2007.

Australian Government recurrent funding

Total Australian Government recurrent funding in 2005–06 was \$11.4 billion. Of this, 26% (\$1.9 billion) was Specific Purpose Payments (SPPs) through which the Australian Government funded state and territory governments for a number of programs. The amount of SPP funding varied across the four welfare services areas. SPPs for families and children was \$107 million, for others n.e.c. \$118 million, for older people \$824 million, and for people with disabilities \$853 million (derived from Table 7.9).

The largest Australian Government recurrent funding was in welfare services for older people, accounting for 64% of Australian Government funding. Welfare services for families and children accounted for 21% of funding, welfare services for people with disability, 13%, and the remaining 2% went to other welfare services (derived from Table 7.9).

State and territory government recurrent funding

In 2005–06, total recurrent funding by state and territory governments was \$8.1 billion, of which 39% went to welfare services for people with disability, 25% to welfare services for older people, 26% to welfare services for families and children, and the remaining 10% to other welfare services (derived from tables 7.10 to 7.13). Detailed information on the welfare programs and services funded by the state and territory governments is not available.

Table 7.9: Australian Government recurrent expenditure in current prices by welfare services category, Specific Purpose Payments to state and territory governments and other programs, 2005–06

| Welfare services category | Specific Purpose Payments to state and territory governments and other Australian Government programs | Amount (\$m) |
|--|--|---------------------|
| Family and child welfare | Specific Purpose Payments to state and territory governments | |
| | • Child care and other family services | 11.5 |
| | • Unattached humanitarian minors | 1.5 |
| | • Supported Accommodation Assistance Program for youth | 61.4 |
| | • Compensation for extension of fringe benefits | 32.8 |
| | Other Australian Government programs | |
| | • Child care assistance (Child care benefits, Support for child care, Child care for sole parents undergoing training) | 1,749.5 |
| | • Youth, reconnect, family violence and child abuse | 122.5 |
| | • Other | 293.6 |
| | <i>Subtotal</i> | <i>2,214.4</i> |
| Welfare services for older people | Specific Purpose Payments to state and territory governments | |
| | • Home and Community Care Program | 652.1 |
| | • Aged care assessment | 55.5 |
| | • Compensation for extension of fringe benefits | 116.6 |
| | Other Australian Government programs | |
| | • Community Aged Care Packages | 356.6 |
| | • DoHA residential care subsidies (high and low care) | 4,527.1 |
| | • Veterans' residential care, home care and other aged care | 882.1 |
| | • Multi-purpose and flexible services | 158.9 |
| | • National respites for carers | 138.7 |
| • Other | 327.9 | |
| <i>Subtotal</i> | <i>7,215.3</i> | |
| Welfare services for people with disability | Specific Purpose Payments to state and territory governments | |
| | • Disability services | 599.8 |
| | • Home and Community Care Program | 205.7 |
| | • Compensation for extension of fringe benefits | 47.5 |
| | Other Australian Government programs | |
| | • Employment assistance and other services | 226.1 |
| | • Rehabilitation service | 125.7 |
| • Other | 307.6 | |
| <i>Subtotal</i> | <i>1,512.3</i> | |
| Other welfare services | Specific Purpose Payments to state and territory governments | |
| | • Supported Accommodation Assistance Program, other than for youth | 117.1 |
| | • Compensation for extension of fringe benefits | 0.7 |
| | Other Australian Government programs | |
| | • Emergency relief (including Tropical Cyclone Larry assistance) | 73.6 |
| | • Migrant resources centres and Integrated humanitarian settlement scheme | 71.8 |
| • Other | 149.3 | |
| <i>Subtotal</i> | <i>412.4</i> | |
| Total | | 11,354.4 |

Table 7.10: Government recurrent funding of welfare services for families and children, current prices, 1998–99 to 2005–06

| Year | Australian Government | | State and territory governments | | Total governments | |
|---------------------------|-----------------------|------------------|---------------------------------|------------------|-------------------|------------------|
| | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) |
| 1998–99 | 1,182 | 49.8 | 1,192 | 50.2 | 2,374 | 100.0 |
| 1999–00 | 1,430 | 51.1 | 1,367 | 48.9 | 2,798 | 100.0 |
| 2000–01 | 1,577 | 53.1 | 1,393 | 46.9 | 2,970 | 100.0 |
| 2001–02 | 1,907 | 55.2 | 1,548 | 44.8 | 3,456 | 100.0 |
| 2002–03 | 1,961 | 53.5 | 1,705 | 46.5 | 3,665 | 100.0 |
| 2003–04 | 1,991 | 52.5 | 1,841 | 47.5 | 3,831 | 100.0 |
| 2004–05 | 2,157 | 53.1 | 2,170 | 46.9 | 4,327 | 100.0 |
| 2005–06 | 2,214 | 53.5 | 2,382 | 46.5 | 4,597 | 100.0 |
| Average proportion | .. | 52.7 | .. | 47.3 | .. | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Table 7.11: Government recurrent funding for welfare services for older people, current prices, 1998–99 to 2005–06

| Year | Australian Government | | State and territory governments | | Total governments | |
|---------------------------|-----------------------|------------------|---------------------------------|------------------|-------------------|------------------|
| | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) |
| 1998–99 | 4,746 | 78.6 | 1,293 | 21.4 | 6,039 | 100.0 |
| 1999–00 | 4,522 | 76.7 | 1,376 | 23.3 | 5,898 | 100.0 |
| 2000–01 | 5,235 | 78.6 | 1,422 | 21.4 | 6,657 | 100.0 |
| 2001–02 | 5,231 | 77.5 | 1,518 | 22.5 | 6,750 | 100.0 |
| 2002–03 | 5,707 | 79.0 | 1,520 | 21.0 | 7,227 | 100.0 |
| 2003–04 | 6,500 | 78.1 | 1,592 | 21.9 | 8,193 | 100.0 |
| 2004–05 | 6,832 | 78.0 | 1,623 | 22.0 | 8,455 | 100.0 |
| 2005–06 | 7,215 | 78.2 | 1,772 | 21.8 | 8,967 | 100.0 |
| Average proportion | .. | 78.1 | .. | 21.9 | .. | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Table 7.12: Government recurrent funding for welfare services for people with disability, current prices, 1998–99 to 2005–06

| Year | Australian Government | | State and territory governments | | Total governments | |
|---------------------------|-----------------------|------------------|---------------------------------|------------------|-------------------|------------------|
| | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) |
| 1998–99 | 896 | 31.6 | 1,940 | 68.4 | 2,836 | 100.0 |
| 1999–00 | 908 | 30.1 | 2,109 | 69.9 | 3,017 | 100.0 |
| 2000–01 | 1,021 | 32.3 | 2,141 | 67.7 | 3,162 | 100.0 |
| 2001–02 | 1,145 | 33.6 | 2,271 | 66.5 | 3,416 | 100.0 |
| 2002–03 | 1,211 | 31.9 | 2,585 | 68.1 | 3,796 | 100.0 |
| 2003–04 | 1,325 | 31.9 | 2,737 | 68.1 | 4,062 | 100.0 |
| 2004–05 | 1,381 | 31.9 | 2,974 | 68.1 | 4,355 | 100.0 |
| 2005–06 | 1,512 | 32.3 | 3,227 | 67.7 | 4,739 | 100.0 |
| Average proportion | .. | 31.9 | .. | 68.1 | .. | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Table 7.13: Government recurrent funding for other welfare services, current prices, 1998–99 to 2005–06

| Year | Australian Government | | State and territory governments | | Total governments | |
|---------------------------|-----------------------|------------------|---------------------------------|------------------|-------------------|------------------|
| | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) |
| 1998–99 | 174 | 21.4 | 639 | 78.6 | 813 | 100.0 |
| 1999–00 | 169 | 23.6 | 548 | 76.4 | 717 | 100.0 |
| 2000–01 | 193 | 22.5 | 663 | 77.5 | 855 | 100.0 |
| 2001–02 | 191 | 25.2 | 567 | 74.8 | 757 | 100.0 |
| 2002–03 | 217 | 25.8 | 622 | 74.2 | 839 | 100.0 |
| 2003–04 | 240 | 23.7 | 591 | 76.3 | 830 | 100.0 |
| 2004–05 | 266 | 24.2 | 736 | 75.8 | 1,001 | 100.0 |
| 2005–06 | 412 | 24.3 | 753 | 75.7 | 1,165 | 100.0 |
| Average proportion | .. | 23.8 | .. | 76.2 | .. | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Government funding through concessions expenditure

The recurrent expenditure estimates for welfare services presented in this chapter as funded by governments include estimates of concessions provided to eligible recipients on core public services.

Concessions represent revenue forgone by governments, as they occur when the governments do not receive full fees for services provided to clients. Due to data availability, only expenditure on the core concessions to households on charges for energy (electricity and gas), public transport, water and sewerage services, local government rates and motor vehicle registration are presented here.

Recipients of social security payments gain access to core concessions through holding a Pensioner Concession Card. In some circumstances, some Health Care Card (HCC) and Commonwealth Senior Health Care Card holders are also able to access some core concessions. Veterans and their dependants gain access to similar concessions through their Department of Veterans' Affairs (DVA) concession cards. These cards have different eligibility criteria and conditions. Access to the associated concessions depends on a client's meeting those criteria. The Health Care Card, for example, is short term and subject to review every 3–6 months, while the Pensioner Concession Card is issued annually to pensioners and certain older benefit recipients who have received income support payment for at least 39 weeks. DVA card holders have ongoing eligibility for concessions of the type that are available to the other social security recipients.

Most core concessions are funded by state and territory governments. However, the Australian Government provides SPPs—for compensation for extension of fringe benefits—to states and territories under bilateral agreements that require the states and territories concerned to extend eligibility for core concessions to recipients of part-pensions.

The total value of core concessions in 2005–06 was estimated at \$1.7 billion (Table 7.14). Of this, the states and territories provided an estimated \$1.5 billion. The rest was funded by the Australian Government through SPPs for compensation for the extension of fringe benefits to part-pensioners. On average, concessions represented about 21% of total funding of welfare services by state and territory governments over the period 1998–99 to 2005–06.

Another form of indirect government funding besides concession expenditure is tax expenditure. Because the majority of tax expenditure is income support in nature, more detailed information on tax expenditure is provided in Section 7.5 on welfare expenditure. Although there are some items that are related to services assistance, it is not practical to split these between welfare services expenditure and income support. In assistance for families and children, for example, the Australian Government from 1 July 2000 combined 12 existing types of assistance for families into three main types administered through the tax and social security systems. These were:

- Family Tax Benefit Part A
- Family Tax Benefit Part B
- Child Care Benefit.

Table 7.14: Core government concessions for welfare services target populations, current prices, 1998–99 to 2005–06 (\$m)

| Year | Core concession type | | | | | Total concessions |
|---|----------------------|------------------|--------------------|---------------|----------------------------|-------------------|
| | Energy | Public transport | Water and sewerage | Council rates | Motor vehicle registration | |
| Estimated total expenditure on concessions | | | | | | |
| 1998–99 | 179 | 412 | 161 | 222 | 301 | 1,274 |
| 1999–00 | 213 | 403 | 162 | 226 | 310 | 1,313 |
| 2000–01 | 229 | 421 | 179 | 221 | 318 | 1,368 |
| 2001–02 | 271 | 429 | 189 | 248 | 336 | 1,473 |
| 2002–03 | 264 | 439 | 207 | 258 | 348 | 1,517 |
| 2003–04 | 292 | 461 | 211 | 271 | 372 | 1,608 |
| 2004–05 | 342 | 495 | 216 | 288 | 301 | 1,642 |
| 2005–06 | 328 | 598 | 223 | 286 | 311 | 1,747 |
| Funded by the Australian Government through SPPs to states and territories for extension of concessions to part-pensioners | | | | | | |
| 1998–99 | 24 | 48 | 19 | 26 | 35 | 152 |
| 1999–00 | 25 | 48 | 19 | 27 | 37 | 155 |
| 2000–01 | 28 | 51 | 22 | 27 | 38 | 164 |
| 2001–02 | 31 | 50 | 22 | 29 | 39 | 171 |
| 2002–03 | 31 | 52 | 23 | 31 | 42 | 178 |
| 2003–04 | 34 | 53 | 24 | 31 | 43 | 185 |
| 2004–05 | 40 | 57 | 25 | 33 | 35 | 191 |
| 2005–06 | 37 | 68 | 25 | 32 | 35 | 198 |
| Funded by states and territories from own sources | | | | | | |
| 1998–99 | 179 | 364 | 142 | 196 | 265 | 1,146 |
| 1999–00 | 184 | 355 | 142 | 200 | 273 | 1,153 |
| 2000–01 | 201 | 370 | 157 | 194 | 280 | 1,203 |
| 2001–02 | 232 | 379 | 167 | 219 | 297 | 1,295 |
| 2002–03 | 228 | 387 | 168 | 227 | 306 | 1,316 |
| 2003–04 | 259 | 408 | 187 | 240 | 329 | 1,423 |
| 2004–05 | 303 | 438 | 191 | 254 | 266 | 1,451 |
| 2005–06 | 291 | 530 | 198 | 254 | 276 | 1,549 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Funding by households

Households pay fees for the services provided by governments and NGCSOs. In addition, fees are paid by clients for some services provided by informal carers in the household sector; the only client fees data available are for child care services. It is possible that informal care provided to older people and people with disability may also attract client fees, but these are not captured in the reported expenditure data.

Client fees for welfare services were estimated at \$5.8 billion in 2005–06 (Table 7.15). Of this, client fees for child care services totalled \$234 million. Across the provider sectors, 86% of the total was paid to NGCSOs, 10% to government service providers and 4% to households. These relative shares fluctuated somewhat over the period from 1998–99 to 2005–06.

Table 7.15: Funding of welfare services, through fees paid by clients, amount and share, by provider sector, current prices, 1998–99 to 2005–06

| | Provider sector | | | | | | | |
|---------|-----------------|------------------|--------------|------------------|---|------------------|--------------------------|------------------|
| | Governments | | NGCSOs | | Households as providers of informal childcare | | Total client fee funding | |
| | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) |
| 1998–99 | 249 | 7.0 | 3,104 | 87.6 | 192 | 5.4 | 3,545 | 100.0 |
| 1999–00 | 273 | 7.7 | 3,102 | 87.3 | 179 | 5.0 | 3,554 | 100.0 |
| 2000–01 | 315 | 8.6 | 3,189 | 86.9 | 167 | 4.5 | 3,670 | 100.0 |
| 2001–02 | 350 | 9.0 | 3,408 | 87.0 | 155 | 4.0 | 3,915 | 100.0 |
| 2002–03 | 400 | 9.3 | 3,736 | 86.7 | 172 | 4.0 | 4,309 | 100.0 |
| 2003–04 | 413 | 8.8 | 4,089 | 87.1 | 191 | 4.1 | 4,694 | 100.0 |
| 2004–05 | 379 | 7.2 | 4,698 | 88.8 | 211 | 4.0 | 5,291 | 100.0 |
| 2005–06 | 560 | 9.7 | 5,048 | 86.3 | 234 | 4.0 | 5,848 | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

Funding of expenditure by non-government community services organisations

This section details the sources of funds for NGCSOs that provide welfare services. Expenditure by NGCSOs is funded by governments, the NGCSOs themselves, and households (in the form of client fees).

NGCSOs' expenditure on welfare services was estimated at \$20.3 billion in 2005–06 (Table 7.16). Of this, 62% (\$12.7 billion) was funded by governments; a quarter (25%) by client fees (\$5.0 billion); and the remainder by the NGCSOs (13% or \$2.6 billion).

Government funding to NGCSOs in current prices doubled from \$6,295 million in 1998–99 to \$12,652 million in 2005–06. NGCSOs' own source funding increased from \$1,713 million in 1998–99 to \$2,589 million—an increase in nominal terms of 51%. The funding amount was highest in 2003–04 (\$2,973 million). Funding by clients also increased, from \$3,104 million in 1998–99 to \$5,048 million in 2005–06.

In terms of relative shares, the government proportion of funding increased most years, rising from 57% in 1998–99 to 62% in 2005–06. The share of funding from NGCSOs' own funds fluctuated during the period 1998–99 to 2005–06, reaching its peak at 17% in 2003–04, and declining in the following 2 years, to 13% in 2005–06. The share of funding from client fees fluctuated, ranging between 23% in 2003–04 and 28% in 1998–99.

Table 7.16: Recurrent funding of NGCSOs' welfare services expenditure, amount and share, by source of funds, current prices, 1998–99 to 2005–06

| | Funding source | | | | | | Total expenditure by NGCSOs | |
|---------|----------------|------------------|--------------|------------------|--------------|------------------|-----------------------------|------------------|
| | Governments | | NGCSOs | | Client fees | | Amount (\$m) | Share (per cent) |
| | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | Amount (\$m) | Share (per cent) | | |
| 1998–99 | 6,295 | 56.7 | 1,713 | 15.4 | 3,104 | 27.9 | 11,112 | 100.0 |
| 1999–00 | 6,900 | 57.9 | 1,914 | 16.1 | 3,102 | 26.0 | 11,916 | 100.0 |
| 2000–01 | 7,580 | 59.6 | 1,951 | 15.3 | 3,189 | 25.1 | 12,720 | 100.0 |
| 2001–02 | 8,355 | 60.7 | 2,000 | 14.5 | 3,408 | 24.8 | 13,763 | 100.0 |
| 2002–03 | 9,211 | 60.1 | 2,392 | 15.6 | 3,736 | 24.4 | 15,339 | 100.0 |
| 2003–04 | 10,888 | 60.7 | 2,973 | 16.6 | 4,089 | 22.8 | 17,950 | 100.0 |
| 2004–05 | 12,091 | 62.2 | 2,660 | 13.7 | 4,698 | 24.2 | 19,449 | 100.0 |
| 2005–06 | 12,652 | 62.4 | 2,589 | 12.8 | 5,048 | 24.9 | 20,289 | 100.0 |

Note: Total may not add due to rounding.

Source: AIHW 2007.

7.5 Welfare expenditure

This section presents information on welfare expenditure, which is defined as cash paid to social security/income support recipients (carer payments included) plus welfare services for which payments are made (that is, there was a benefit-in-kind) (see Figure 7.1). It does not include the imputed value of services for which there are no payments.

The cash benefits that are categorised as part of welfare expenditure are provided to groups of people classified in the four GPC welfare services categories—families and children, older people, people with disability and 'other welfare'.

Cash benefits provided by the Australian Government to families and children include:

- Double Orphan Pension
- under the More Help for Families package, one-off payments under *Family Assistance Legislation Amendment 2004*
- Family Tax Benefits Part A and Part B
- Maternity Allowances
- Maternity Payment
- Large Family Supplement
- Partner Allowance
- Partner Benefits
- Parenting Payments (partnered and single).

Cash benefits to older people include:

- Age Pension
- Aged Persons Savings Bonus
- Self-funded Retirees' Supplementary Bonus
- Seniors Concession Allowance

- Telephone Allowance for Commonwealth Seniors Health Card Holders
- Utilities Allowance
- Wife Pension (Age)
- Support for Carers (Aged)
- DVA Service Pension
- DVA Income Support Pension.

Cash benefits to people with disability include:

- Disability Support Pension
- Mobility Allowance
- Sickness Allowance
- Wife Pension
- Support for Carers (Disabled)
- DVA Disability Pension.

Cash benefits classified as 'other welfare' expenditure include:

- Bereavement Payments
- Widow Allowance
- Widow B Pension
- Special benefit
- DVA Dependents and Widows Pension
- War Widows Pension.

In 2005–06, cash benefits were \$61.4 billion and accounted for 68% of total welfare expenditure. The remaining 32% (\$28.9 billion) was for welfare services (benefits-in-kind) (derived from Table 7.17). Between 1998–99 and 2005–06, the average proportions were 70% for cash benefits and 30% for welfare services.

In 2005–06, most (\$80.8 billion) of the total welfare expenditure of \$90.2 billion could be allocated by welfare category. Welfare expenditure on older people was the highest at \$34.2 billion. Families and people with disability received \$26.6 billion and \$16.9 billion respectively, and \$3.2 billion was provided for 'other welfare' (Table 7.17).

Between 1998–99 and 2005–06, welfare expenditure for older people was the highest on average, accounting for 44% of combined Australian Government and state and territory government expenditure. About one-third (33%) of welfare expenditure was for families. One-fifth (19%) went to people with disability and the remaining 4% to 'other welfare'.

Welfare expenditure for people with disability increased each year, from \$9.9 billion in 1998–99 to \$16.9 billion in 2005–06. Welfare expenditure for the remaining three target groups did not increase every year. Welfare expenditure for older people fell in 2001–02 because of a fall in cash benefits. Apart from the aged pension, which increased from \$15.6 billion in 2000–01 to \$16.7 billion in 2001–02, the other types of income support fell across the board, particularly One-off Payments and Self-funded Retirees Supplementary Bonuses.

Welfare expenditure for families fell from \$27.1 billion in 2003–04 to \$26.6 billion in 2005–06, due mainly to the one-off payment for the Family Assistance Legislation Amendment payment included in 2003–04 (\$2.2 billion was paid out in 2003–04 and \$0.02 billion in 2005–06).

Table 7.17: Welfare expenditure estimates, current prices, 1998–99 to 2005–06 (\$m)

| | 1998–99 | 1999–00 | 2000–01 | 2001–02 | 2002–03 | 2003–04 | 2004–05 | 2005–06 | Average proportion 1998–99 to 2005–06 (per cent) |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| Australian Government and state and territory governments^(a) | | | | | | | | | |
| Families | 16,088 | 17,329 | 20,168 | 21,893 | 22,195 | 27,122 | 25,760 | 26,580 | 33.2 |
| Cash benefits | 13,714 | 14,531 | 17,198 | 18,438 | 18,530 | 23,291 | 21,433 | 21,984 | 27.9 |
| Benefit-in-kind | 2,374 | 2,798 | 2,970 | 3,456 | 3,665 | 3,831 | 4,327 | 4,597 | 5.2 |
| Older people | 23,362 | 23,650 | 28,981 | 27,594 | 29,228 | 32,378 | 33,308 | 34,160 | 43.6 |
| Cash benefits | 17,323 | 17,752 | 22,324 | 20,845 | 22,001 | 24,185 | 24,853 | 25,172 | 32.7 |
| Benefit-in-kind | 6,039 | 5,898 | 6,657 | 6,750 | 7,227 | 8,193 | 8,455 | 8,987 | 10.9 |
| People with disability | 9,916 | 10,326 | 11,232 | 12,158 | 13,051 | 14,138 | 14,671 | 16,870 | 19.2 |
| Cash benefits | 7,080 | 7,309 | 8,070 | 8,742 | 9,255 | 10,076 | 10,317 | 12,130 | 13.7 |
| Benefit-in-kind | 2,836 | 3,017 | 3,162 | 3,416 | 3,796 | 4,062 | 4,355 | 4,739 | 5.5 |
| Other welfare | 2,363 | 2,280 | 2,597 | 2,652 | 2,823 | 2,918 | 3,182 | 3,230 | 4.1 |
| Cash benefits | 1,550 | 1,562 | 1,742 | 1,895 | 1,985 | 2,087 | 2,181 | 2,065 | 2.8 |
| Benefit-in-kind | 813 | 717 | 855 | 757 | 839 | 830 | 1,001 | 1,165 | 1.3 |
| Four category subtotal | 51,728 | 53,584 | 62,979 | 64,298 | 67,297 | 76,555 | 76,922 | 80,840 | .. |
| Cash benefits | 39,667 | 41,155 | 49,334 | 49,920 | 51,770 | 59,639 | 58,784 | 61,352 | .. |
| Benefit-in-kind | 12,061 | 12,430 | 13,644 | 14,378 | 15,527 | 16,917 | 18,138 | 19,489 | .. |
| Other unable to be allocated by category^(b) | | | | | | | | | |
| Benefit-in-kind | 5,686 | 5,914 | 6,111 | 6,416 | 7,479 | 8,506 | 8,759 | 9,387 | .. |
| Grand total | 57,415 | 59,498 | 69,089 | 70,714 | 74,777 | 85,058 | 85,681 | 90,227 | .. |
| Cash benefits | 39,667 | 41,155 | 49,334 | 49,920 | 51,770 | 59,639 | 58,784 | 61,352 | .. |
| Benefit-in-kind | 17,748 | 18,343 | 19,755 | 20,795 | 23,007 | 25,420 | 26,897 | 28,875 | .. |

(a) For the benefits-in-kind category, the Australian Government expenditure includes both recurrent and capital expenditure but the state and territory government expenditure comprises recurrent expenditure only.

(b) Included are state and territory capital expenditure, and expenditure funded by local government (both recurrent and capital), NGCSOs and households.

Note: Total may not add due to rounding.

Sources: Benefits in kind: AIHW; Cash benefits: FaCS 1999, 2000, 2001, 2002, 2003, 2004, 2005; FaCSIA 2006.

Tax expenditure

A tax expenditure is a tax concession that provides a benefit to a specified activity or class of taxpayer. Various forms of tax expenditure include tax exemptions, tax deductions, tax offsets, concessional tax rates and deferral of tax liability. Australia measures tax expenditures using an approach that treats the expenditure as revenue forgone, consistent with OECD (Organisation for Economic Co-operation and Development) reporting methods. This approach measures how much tax revenue is reduced relative to a benchmark for each tax expenditure.

Tax expenditure by the Australian Government in 2005–06 was estimated at \$25.7 billion (Table 7.18). Of this, 80% was directed at older people and a further 11% was for families and children. Total welfare expenditure would have been higher had the amount of tax expenditure been included.

Table 7.18: Tax expenditures by the Australian Government for welfare services, current prices, 1998–99 to 2005–06 (\$m)

| Tax expenditure type | 1998–99 | 1999–00 | 2000–01 | 2001–02 | 2002–03 | 2003–04 | 2004–05 | 2005–06 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Tax expenditure for older people | | | | | | | | |
| Superannuation concession | 10,100 | 10,675 | 9,920 | 11,140 | 10,100 | 13,540 | 16,600 | 18,080 |
| Transitional tax exemption for certain life insurance management fees | .. | — | 180 | 270 | 200 | 250 | 290 | — |
| Concessional treatment of non-superannuation termination benefits | 1,130 | 1,050 | 970 | 410 | 360 | 320 | 320 | 30 |
| Capped taxation rates for lump sum payments for unused recreation and long service leave | 260 | 250 | 210 | 230 | 210 | 190 | 180 | 150 |
| Capital gains tax exemption on the sale of a small business at retirement | 25 | 25 | 35 | 55 | 85 | 120 | 185 | 180 |
| Senior Australians' tax offset | 25 | 30 | 1,490 | 1,480 | 1,620 | 1,800 | 1,920 | 1,830 |
| Savings tax offset | 350 | 520 | .. | .. | .. | .. | .. | .. |
| Exemption from income tax of one-off payment to senior Australians | .. | .. | 540 | 2 | .. | .. | .. | .. |
| Small business 15-year capital gains tax exemption | .. | .. | .. | 5 | 10 | 16 | 13 | .. |
| <i>Total tax expenditure for older people</i> | <i>11,890</i> | <i>12,550</i> | <i>13,345</i> | <i>13,592</i> | <i>12,585</i> | <i>16,236</i> | <i>19,508</i> | <i>20,580</i> |
| Tax expenditure for families | | | | | | | | |
| Exemption from income tax of Family Tax Benefit, including expense equivalent | .. | .. | 1,980 | 1,800 | 1,720 | 2,560 | 2,370 | 2,400 |
| Family Tax Assistance Parts A and B | 400 | 380 | .. | .. | .. | .. | .. | .. |
| Exemption from income tax of Child Care Benefit | .. | .. | 330 | 340 | 360 | 360 | 380 | 390 |
| Tax offset for sole parents | 250 | 260 | 50 | .. | .. | .. | .. | .. |
| Exemption from income tax of the Baby Bonus | .. | .. | .. | .. | 7 | 19 | 30 | 35 |
| <i>Total tax expenditure for families</i> | <i>650</i> | <i>640</i> | <i>2,360</i> | <i>2,140</i> | <i>2,087</i> | <i>2,939</i> | <i>2,780</i> | <i>2,825</i> |
| Tax expenditure for others | | | | | | | | |
| Taxation of 5% of unused long service leave accumulated by 15 August 1978 | 160 | 160 | 135 | 115 | 100 | 85 | 90 | 85 |
| Tax offset for dependant spouse, etc. who cares for a prescribed dependant | 420 | 430 | 360 | 350 | 360 | 370 | 390 | 390 |
| Tax offset for low-income earners | 490 | 440 | 460 | 410 | 410 | 400 | 670 | 690 |
| Exemption of certain income support benefits, pensions or allowances from income tax | 1,330 | 1,460 | 880 | 900 | 940 | 980 | 990 | 940 |
| Capped exemption from Fringe Benefits Tax for public benevolent institutions | 190 | 210 | 230 | 230 | 165 | 210 | 250 | 250 |
| <i>Total other tax expenditure</i> | <i>2,590</i> | <i>2,700</i> | <i>2,065</i> | <i>2,005</i> | <i>1,975</i> | <i>2,045</i> | <i>2,390</i> | <i>2,335</i> |
| Total tax expenditure | 15,130 | 15,890 | 17,770 | 17,737 | 16,647 | 21,220 | 24,678 | 25,740 |

Note: Total may not add due to rounding.

Sources: Treasury 2003, 2004, 2005, 2006, 2007.

7.6 International comparisons

Australia's welfare expenditure (as defined in Section 7.5) can be compared internationally through use of the OECD's Social Expenditure Classification (SOCX). There are nine social or welfare expenditure (SOCX) categories used by the OECD. Australia's welfare expenditure corresponds to those for old age, survivor, incapacity and family and part of other SOCX categories (Table 7.19). The OECD categories include benefits-in-kind and cash benefits for the four welfare services groups described elsewhere in this chapter—older persons, persons with disability, families and children and 'other welfare'.

SOCX includes superannuation benefits payments (both lump sum and pension), which AIHW does not include as welfare expenditure earlier in this chapter. For comparability with the other OECD countries, they are included here.

Australia's welfare expenditure as a proportion of GDP in 2003 was estimated at 13.8% and ranked 20 out of 29 countries. This compares to the OECD average for welfare expenditure of 14.7% of GDP (Table 7.20).

Table 7.19: OECD Social Expenditure Classification categories and their treatment in respect of the scope of welfare expenditure

| SOCX category number | SOCX category title | Mapped to GPCs | Treatment |
|----------------------|-------------------------------|---|-----------|
| 1 | Old age | GPC2612—Benefits to ex-service personnel and their dependents (part only) | Included |
| | | GPC2614—Old age benefits | Included |
| | | GPC2622—Welfare services for the aged | Included |
| 2 | Survivor | GPC2615—Widows, deserted wives, divorcees and orphan benefits | Included |
| | | GPC2629—Other welfare services (part only, e.g. funeral expenses) | Included |
| 3 | Incapacity-related benefits | GPC2611—Sickness benefits | Included |
| | | GPC2612—Benefits to ex-service personnel and their dependants (part only) | Included |
| | | GPC2613—Permanent disability benefits | Included |
| | | GPC2623—Welfare services for people with disability | Included |
| 4 | Health | GPC25xx—Health | Excluded |
| 5 | Family | GPC2617—Family and child benefits | Included |
| | | GPC2618—Sole parents benefits | Included |
| | | GPC2621—Family and child welfare services | Included |
| 6 | Active labour market programs | GPC333x—Labour and Employment Affairs | Excluded |
| 7 | Unemployment | GPC2616—Unemployment benefits | Excluded |
| 8 | Housing | GPC27xx—Housing and community amenities | Excluded |
| | | GPC2621—Family and child welfare services (SAAP—part) | Included |
| | | GPC2629—Other welfare services (SAAP—part) | Included |
| 9 | Other social policy areas | GPC2619—Social security, n.e.c. | Excluded |
| | | GPC2629—Other welfare services (part) | Included |

Table 7.20: International comparison of welfare expenditure by OECD SOCX category^(a), current prices, 2003 (A\$)

| Country | Per person expenditure (A\$) | | | | | Total ^(b) | Total expenditure ^(b) (A\$ million) | Total expenditure as per cent of GDP |
|--------------------------------|------------------------------|------------|--------------------|------------|------------|----------------------|--|--------------------------------------|
| | Old age | Survivors | Incapacity-related | Family | Other | | | |
| Sweden | 4,835 | 273 | 2,751 | 1,410 | 303 | 9,572 | 85,745 | 24.0 |
| Austria | 5,559 | 160 | 1,461 | 1,279 | 164 | 8,623 | 69,998 | 20.8 |
| Switzerland | 5,051 | 666 | 2,141 | 693 | 340 | 8,890 | 65,832 | 19.8 |
| Norway | 3,896 | 163 | 3,655 | 1,732 | 322 | 9,767 | 44,586 | 19.4 |
| Italy | 4,712 | 929 | 849 | 480 | 96 | 7,067 | 407,078 | 19.1 |
| Denmark | 3,884 | 4 | 1,861 | 1,642 | 422 | 7,814 | 42,116 | 18.8 |
| France | 4,060 | 732 | 832 | 1,156 | 403 | 7,183 | 443,883 | 18.8 |
| Belgium | 3,839 | 867 | 1,147 | 1,090 | 486 | 7,428 | 77,060 | 18.3 |
| Germany | 4,469 | 161 | 1,175 | 749 | 216 | 6,771 | 558,733 | 18.2 |
| Netherlands | 3,682 | 153 | 2,181 | 707 | 958 | 7,681 | 124,614 | 17.9 |
| Finland | 3,302 | 361 | 1,777 | 1,133 | 241 | 6,815 | 35,526 | 17.8 |
| United Kingdom | 4,287 | 93 | 1,230 | 1,188 | 359 | 7,156 | 426,188 | 17.7 |
| Poland | 1,779 | 162 | 534 | 234 | 7 | 2,716 | 103,750 | 17.4 |
| Luxembourg | 4,584 | 1,918 | 3,011 | 3,069 | 414 | 12,997 | 5,848 | 17.3 |
| Greece | 3,323 | 232 | 487 | 349 | 362 | 4,753 | 52,391 | 17.2 |
| Portugal | 2,137 | 384 | 740 | 376 | 269 | 3,906 | 40,781 | 16.4 |
| Iceland | 2,649 | 262 | 2,027 | 1,295 | 221 | 6,453 | 1,867 | 15.9 |
| Hungary | 1,536 | 230 | 604 | 718 | 27 | 3,116 | 31,565 | 15.3 |
| Japan | 4,251 | 478 | 298 | 280 | 74 | 5,381 | 686,732 | 14.2 |
| Australia^(c) | 3,114 | 98 | 706 | 1,354 | 537 | 5,809 | 116,329 | 13.8 |
| Czech Republic | 1,856 | 48 | 698 | 444 | 145 | 3,192 | 32,559 | 13.7 |
| United States | 4,626 | 408 | 876 | 350 | 283 | 6,542 | 1,904,206 | 13.1 |
| Canada | 3,401 | 179 | 414 | 453 | 963 | 5,410 | 171,271 | 13.0 |
| Slovak Republic | 1,207 | 31 | 407 | 346 | 253 | 2,244 | 12,073 | 12.7 |
| Spain | 2,629 | 189 | 791 | 349 | 59 | 4,017 | 168,718 | 12.0 |
| New Zealand | 1,395 | 33 | 911 | 719 | 47 | 3,104 | 12,537 | 9.8 |
| Ireland | 1,317 | 371 | 709 | 1,168 | 213 | 3,778 | 15,078 | 8.2 |
| Korea | 832 | 57 | 166 | 43 | 127 | 1,225 | 58,600 | 4.7 |
| Mexico | 124 | 37 | 9 | 136 | 67 | 374 | 38,362 | 2.9 |
| OECD^(d) | 3,561 | 334 | 774 | 536 | 251 | 5,457 | 5,920,163 | 14.7 |

(a) Includes public, mandatory private and voluntary private social expenditures.

(b) Excludes health, active labour market programs, unemployment and housing, but includes superannuation payments.

(c) Includes superannuation payments.

(d) The OECD averages are weighted by population or GDP. Turkey excluded.

Note: Expenditure converted to Australian dollar values using GDP purchasing power parities.

Source: OECD SOCX database 2007.

7.7 Human resources for welfare services

People who provide welfare services fall into three categories:

- workers in paid employment (the ‘workforce’)
- volunteers who contribute their time in an organised or formal manner to welfare services providers
- carers who provide personal assistance to family members or others on an informal basis.

Each of these groups is discussed in the following sections of this chapter. While the emphasis may seem to be on the paid welfare services workforce, this is mainly due to the greater availability of data on these workers, collected by the ABS as part of its routine monitoring of Australia’s labour force. Also, a number of data collections focus on specific sections of the welfare or community services sector, such as child care services and aged care services, and workforce information from these sectors is also included.

While the role of volunteers and carers in providing community services is widely recognised, information on them is limited to several less-frequent ABS surveys and a few ad hoc special surveys.

An understanding of the supply of human resources for welfare services requires information on both its stocks (current numbers of paid workers, volunteers, carers) and flows (new entrants, exits and re-entrants) (Box 7.4).

Box 7.4: Measures of human resources for welfare services

Information on the stocks of human resources is relatively straightforward and regularly collected by the ABS and other stakeholders. For the flows, however, direct information on entrants is limited to numbers completing training courses, while information on exits can only be inferred from the age structure of the current workforce. Information on migrants entering (or leaving) the welfare services workforce (derived from the information cards completed by all incoming and outgoing passengers) is not considered accurate enough for publication, and there is only anecdotal information about re-entrants to the workforce.

The stocks are also affected not only by the number of people in each of the service provider categories but also by the amount of time spent by the workers, volunteers and carers in providing services. The main source of detailed information on hours worked is the ABS Labour Force Survey, and this is used here to estimate full-time equivalent (FTE) paid worker numbers and rates (FTEs per 100,000 population). This is referred to as the workforce ‘supply’. FTE estimates for volunteers and carers are presented in Section 7.2.

The information presented here on the supply of human resources could be accompanied by a discussion of the demand for these resources. This is a complex issue. For example, consider the effects of an ageing population: on the one hand, the number of people leaving the paid workforce is likely to increase in years to come, and, on the other hand, the number of older people requiring assistance will increase. Together, these factors imply an increased demand for new entrants into the aged care workforce. At present there are insufficient hard data on these effects, and the only information on demand presented here is on the areas of identified current workforce shortages.

Community services industries and occupations

To describe the overall welfare workforce in this chapter, ABS data sources have been used. These data sources include information on the *industry* in which people work and their *occupation*. Industries are defined according to the services they provide, while occupations are defined by the activities of the workers. For the purposes of this chapter, information on the ABS categories of ‘community services industries’ and ‘community services occupations’ is presented.

Community services *industries* comprise organisations, agencies and individuals that are mainly engaged in providing various types of care and welfare services. As defined by the Australian and New Zealand Standard Industrial Classification (ABS 2006a), these range from accommodation for the aged, assistance for people with disability, and residential and non-residential services for people experiencing housing difficulties, to marriage counselling and child care services. In 2006, 268,400 people worked in community services industries, 2.6% of all workers (Figure 7.4). The community services industries, as defined here, may not align completely with the ‘welfare services’ categories for which expenditure is described earlier in this chapter, nor with the scope of services described in other chapters of this report.

Community services *occupations*, as specified in the Australian Standard Classification of Occupations (ABS 1997b), include those that provide care (for children, the aged and people with special needs) and counselling (including social workers). In 2006, 363,100 workers were classified in community services *occupations*, 3.6% of all workers. Just under one-half (48%) of those working in community services *occupations* worked in community services *industries*, with the other half spread across other industries, particularly the health, education, government administration and defence industries.

In 2006, 65% of the workers in community services *industries* were in community services occupations. The remainder worked in other occupations.

| | Community services industries | Other industries | Total |
|--------------------------------|--|---|---------------------------------|
| Community services occupations | 174,500 persons employed in community services occupations in community services industries e.g. children’s care workers in the child care services industry | 188,600 persons employed in community services occupations in other industries e.g. counsellors in the education industry | 363,100 (290,400 FTE) |
| Other occupations | 93,900 persons employed in other occupations in community services industries, e.g. managers, accountants, auditors, tradespersons and computing professionals | | |
| Total | 268,400 (220,800 FTE) | | |

Source: Unpublished data from ABS Labour Force Survey 2006.

Figure 7.4: Relationship of community services occupations to community services and other industries, 2006

7.8 Community services occupations

About 30 occupations in the Australian Standard Classification of Occupations are included in the community services grouping. However, the numbers of workers in some of these occupations are small, and thus it is necessary, particularly when using sample surveys such as the ABS Labour Force Survey, to group some of them together. In the following tables, nine categories of occupations are used (Box 7.5). Although they are categorised as community services occupations, some categories (for example, drug and alcohol counsellor, Aboriginal and Torres Strait Islander health worker) could be regarded as health occupations for some purposes.

Persons employed in community services occupations comprised 3.6% of the total labour force in 2006, a slight increase from 3.5% in 2001 (Table 7.21). The largest group among community services occupations in 2006 was children's care workers (which includes child care coordinators), with 99,800 workers, or 27% of all workers in community services occupations. Other large groups were special care workers (23%), education aides (16%)

Box 7.5: Community services occupations

Nine categories of community services occupations, based on the Australian Standard Classification of Occupations (ABS 1997a), are used in the analysis in this section:

- Pre-primary school teacher—teaches the basics of numeracy, literacy, music, art and literature to students at pre-primary schools and promotes students' social, emotional, intellectual and physical development
- Special education teacher—includes special needs teacher and teacher of the hearing or sight impaired
- Social worker—assesses the social needs of individuals and groups, and assists people to develop and use the skills and resources needed to resolve social and other problems
- Welfare and community worker—assists individuals, families and groups with social, emotional and financial difficulties to improve quality of life; facilitates community development initiatives and collective solutions to address issues, needs and problems
- Counsellor—includes rehabilitation, drug and alcohol, family, careers and student counsellor
- Welfare associate professional—includes parole or probation officer, youth worker, residential care officer, disability services officer and family support worker
- Education aide—includes preschool aide, integration aide, teacher's aide and Indigenous education worker
- Children's care worker—includes child care coordinator and child care worker
- Special care worker—includes hostel parent, child or youth residential care assistant, refuge worker, aged or disabled person carer, and therapy aide.

In addition to these categories, three smaller categories are included in the total numbers for community services occupations: social welfare professionals not further defined, carers and aides not further defined, and Aboriginal and Torres Strait Islander health workers. The latter are included among community services workers because much of their work involves liaising on behalf of patients and their families with the health care system.

and welfare and community workers (10%). Over the 5-year period from 2001 to 2006, the number of workers in community services occupations increased 16%, compared to a 12% increase for all occupations. The community services occupation experiencing the highest growth in numbers over this period was welfare and community workers (52%).

Table 7.21: Persons employed in community services occupations, by industry, 2001 and 2006

| Occupation | 2001 | | | 2006 | | |
|---|-------------------------------|------------------|------------------|-------------------------------|------------------|-------------------|
| | Community services industries | Other industries | All industries | Community services industries | Other industries | All industries |
| Pre-primary school teacher | *2,400 | 11,200 | 13,600 | *3,400 | 15,800 | 19,200 |
| Special education teacher | .. | 10,500 | 10,600 | .. | 13,600 | 13,600 |
| Social worker | *3,400 | 6,800 | 10,200 | *4,200 | 9,300 | 13,500 |
| Welfare and community worker | 13,000 | 12,000 | 25,100 | 15,000 | 23,000 | 38,100 |
| Counsellor | *4,800 | 8,700 | 13,500 | *4,400 | 10,700 | 15,000 |
| Welfare associate professional | 8,800 | 8,200 | 17,000 | 12,700 | 9,000 | 21,700 |
| Education aide | .. | 48,900 | 49,800 | .. | 58,200 | 59,000 |
| Children's care worker | 60,100 | 28,800 | 88,800 | 81,000 | 18,800 | 99,800 |
| Special care worker | 45,200 | 40,300 | 85,600 | 53,000 | 29,100 | 82,100 |
| Total community services occupations^(a) | 139,900 | 175,300 | 314,200 | 174,500 | 188,600 | 363,100 |
| Total other occupations | 80,500 | 8,664,500 | 8,744,900 | 93,900 | 9,692,300 | 9,786,200 |
| Total all occupations | 219,400 | 8,839,800 | 9,059,200 | 268,400 | 9,880,900 | 10,149,300 |

Note: columns and rows may not sum to the totals shown due to rounding.

* The ABS advises that levels at which Labour Force Survey estimates have a relative standard error of 25% or more is 4,900. Estimates below 4,900 therefore should be used with caution. Estimates below 1,000 have a relative standard error greater than 50% and are considered too unreliable for general use.

(a) Includes social welfare professionals not further defined, carers and aides not further defined, and Aboriginal and Torres Strait Islander health workers.

Source: Unpublished data from ABS Labour Force Surveys 2001 and 2006. Figures shown here are averages over four quarters in each year.

Supply of community services workers

For a more accurate picture of the supply of workers in these occupations, it is necessary to adjust their numbers by their average hours worked to obtain an estimate of full-time equivalent workers, with 35 hours per week being regarded as the standard for 'full time' for the purposes of this report. In 2006, the average time worked per week in these occupations was 28.0 hours, and the supply of community services workers was 1,403 FTE workers per 100,000 population (Table 7.22). The decline in average hours worked between 2001 and 2006 was more than offset by the 16% increase in worker numbers over the same period, resulting in a 6% increase in supply (the FTE rate).

Table 7.22: Persons employed in community services occupations in all industries: average hours worked per week and full-time equivalent (FTE) rate^(a), 2001 and 2006

| Occupation | 2001 | | 2006 | | Change 2001–2006 (per cent) | |
|---|-------------------------------|-------------------------|-------------------------------|-------------------------|--|-------------------------|
| | Average hours worked per week | FTE rate ^(a) | Average hours worked per week | FTE rate ^(a) | Average hours worked per week ^(b) | FTE rate ^(a) |
| Pre-primary school teacher | 33.7 | 67 | 29.9 | 79 | –11 | 18 |
| Special education teacher | 33.3 | 52 | 32.5 | 61 | –2 | 17 |
| Social worker | 30.2 | 45 | 32.0 | 60 | 6 | 33 |
| Welfare and community worker | 32.8 | 121 | 31.9 | 167 | –3 | 38 |
| Counsellor | 32.5 | 64 | 31.6 | 66 | –3 | 2 |
| Welfare associate professional | 31.9 | 80 | 31.0 | 94 | –3 | 17 |
| Education aide | 23.6 | 173 | 24.0 | 196 | 2 | 13 |
| Children's care worker | 30.1 | 393 | 28.6 | 394 | –5 | 0 |
| Special care worker | 25.7 | 324 | 25.1 | 284 | –2 | –12 |
| Total community services occupations ^(c) | 28.6 | 1,319 | 28.0 | 1,403 | –2 | 6 |
| Total other occupations | 35.4 | 45,451 | 34.8 | 47,031 | –2 | 3 |
| Total all occupations | 35.1 | 46,834 | 34.6 | 48,434 | –2 | 3 |

(a) Number of FTE workers per 100,000 population, based on 35 hours per week as the standard for 'full-time'.

(b) The change in average hours worked per week between 2001 and 2006 was statistically significant at the 95% level only for pre-primary school teachers.

(c) Includes social welfare professionals not further defined, carers and aides not further defined, and Aboriginal and Torres Strait Islander health workers.

Source: Unpublished data from ABS Labour Force Surveys 2001 and 2006. Figures shown here are averages over four quarters in each year.

Characteristics of community services workers

The age and sex profile of workers in community services occupations (Table 7.23) indicates that as a group they are predominantly female. In 2006, 87% were females, a similar proportion as in 2001 (88%), but much higher than the total workforce in 2006 (45%). The concentration of females was greatest among pre-primary school teachers (98%), children's care workers (95%) and education aides (93%). The group is ageing, with 14% being aged 55 years or over in 2006, up from 10% in 2001. Over one-quarter of counsellors (26%) and one-fifth special care workers (21%) and special education teachers (21%) were estimated to be aged 55 years or over in 2006. A relatively small proportion (7%) of children's care workers, however, was in the older age category.

One recent study of the care workers in community services, undertaken for the Australian Council of Social Services by Meagher and Healy (2005), found that such work is highly labour intensive and is performed predominantly by women. This study found that the care workforce is ageing at a faster rate than the workforce more generally, and this ageing is independent of any change in the occupational structure of the workforce. The ageing of the care workforce was most evident in those sectors of community services that deliver aged care, as opposed to child care, services.

Table 7.23: Persons employed in community services occupations: proportion female and proportion aged 55 years or over, 2001 and 2006 (per cent)

| Occupation | 2001 | | 2006 | |
|---|-----------------|--------------------------|-----------------|--------------------------|
| | Per cent female | Per cent aged 55 or over | Per cent female | Per cent aged 55 or over |
| Pre-primary school teacher | 96 | *7 | 98 | *9 |
| Special education teacher | 89 | *18 | 81 | 21 |
| Social worker | 86 | *9 | 81 | *18 |
| Welfare and community worker | 75 | 12 | 79 | 16 |
| Counsellor | 73 | *12 | 72 | 26 |
| Welfare associate professional | 72 | *7 | 68 | 14 |
| Education aide | 94 | 11 | 93 | 13 |
| Children's care worker | 96 | 6 | 95 | 7 |
| Special care worker | 86 | 15 | 84 | 21 |
| Total community services occupations^(a) | 88 | 10 | 87 | 14 |
| Other occupations | 43 | 11 | 43 | 14 |
| Total all occupations | 44 | 11 | 45 | 14 |

* These estimates have a relative standard error greater than 25% and should be used with caution.

(a) Includes social welfare professionals not further defined, carers and aides not further defined and Aboriginal and Torres Strait Islander health workers.

Source: Unpublished data from ABS Labour Force Surveys 2001 and 2006. Figures shown here are averages over four quarters in each year.

The relatively low earnings of community services workers is shown in the results of the biennial ABS Survey of Employee Earnings and Hours, which measures weekly earnings for various categories of employees by occupation and industry (ABS 2006a). According to the 2006 survey, the average total weekly earnings of full-time non-managerial employees working in all but one of the community services occupations was lower than the average for all occupations (\$1,045 per week). The average weekly earnings of social workers (\$1,055) was above the average for all occupations, while child care workers (\$656) and education aides (\$673) were below the average (Table 7.24). Average hours paid for also varied among the occupations.

Earnings of workers in these community services occupations also varied depending on the industry in which they worked. In 2006, the average total weekly earnings of those working in most community services occupations and whose jobs were in the community services industry were less than the earnings of those with community services occupations in other industries (\$790 compared with \$904 per week respectively). The greatest difference was for social workers, where those in community services industries earned \$284 less per week, on average, than those in other industries (Table 7.24).

Workforce shortages

Information on workforce shortages in various community services occupations is published by the Australian Government Department of Employment and Workplace Relations (DEWR). DEWR monitors occupational labour markets in Australia and assesses whether skill shortages exist through consultation with employers, industry, employer and employee organisations, and education and training providers. DEWR does not quantify the skill shortage of the occupations that it identifies are in shortage.

Table 7.24: Average hours paid for and average weekly earnings, full-time non-managerial adults, selected community services occupations, by industry, 2006

| Occupation | Community services industry | | Other industries | | All industries | |
|---|---------------------------------------|---|---------------------------------------|---|---------------------------------------|---|
| | Average hours paid for ^(a) | Average weekly earnings (\$) ^(b) | Average hours paid for ^(a) | Average weekly earnings (\$) ^(b) | Average hours paid for ^(a) | Average weekly earnings (\$) ^(b) |
| Pre-primary school teacher | * | * | 37.2 | 1,080 | 37.5 | 1,033 |
| Special education teacher | * | * | 35.8 | 1,022 | 36.0 | 1,009 |
| Social worker | 38.0 | 800 | 38.7 | 1,085 | 38.6 | 1,055 |
| Welfare and community worker | 38.1 | 922 | 37.3 | 1,020 | 37.5 | 992 |
| Counsellor | 40.1 | 853 | 37.1 | 1,142 | 38.8 | 980 |
| Welfare associate professional | 38.4 | 894 | 37.8 | 971 | 38.1 | 936 |
| Education aide | .. | .. | 36.1 | 673 | 36.1 | 673 |
| Child care coordinator | 38.1 | 850 | 35.9 | 819 | 37.2 | 838 |
| Child care worker | 38.0 | 646 | 37.6 | 677 | 37.9 | 656 |
| Special care worker | 38.8 | 812 | 43.2 | 926 | 40.5 | 855.4 |
| All community services occupations^(c) | 38.3 | 790 | 37.6 | 904 | 37.9 | 858 |
| All occupations | 38.2 | 840 | 39.7 | 1,049 | 39.7 | 1,045 |

* Not shown due to small numbers.

(a) Includes ordinary time and overtime hours.

(b) Average weekly total cash earnings comprises regular wages and salaries in cash, including amounts salary sacrificed, ordinary time cash earnings and overtime earnings.

(c) Includes Aboriginal and Torres Strait Islander health workers.

Source: Unpublished data from ABS Employee Earnings and Hours Survey 2006.

In 2006, DEWR identified shortages of child care coordinators and workers in nearly all jurisdictions, and pre-primary school teachers were also in demand in New South Wales and Victoria (Table 7.25). Registered nurses for aged care were also in demand in all jurisdictions for which data were collected.

Table 7.25: Shortages in community services occupations, states and Northern Territory, 2006

| Client group/occupation | NSW | Vic | Qld | WA | SA | Tas | NT |
|-----------------------------|--------|-----|-----|----|----|-----|-----|
| Child care coordinator | M, R-D | S | S | S | D | S | * |
| Child care worker | M | S | S | S | S | S | S |
| Pre-primary school teachers | M | D | * | * | * | * | * |
| Special needs teachers | * | * | * | * | * | * | D |
| Social workers | * | R-D | * | * | * | * | R-D |
| Aged care registered nurse | S | S | S | S | S | S | S |

Note: S = state-wide shortage, M = shortage in metropolitan (capital city) areas, R = shortage in regional areas, D = recruitment difficulty, R-D = recruitment difficulty in regional areas, * = no shortage assessed. For ACT, only information and communication technology skills shortages data were collected.

Source: DEWR 2006b.

Potential entrants to the workforce

There are three main sources of additional workers to maintain and/or increase the paid workforce. These are re-entry into the paid workforce from extended leave or retirement (see Section 3.3); migration of skilled labour from other countries; and the education system, more specifically, vocational or higher educational institutions. Of these three, the main source is the education system. Some information on higher education course completions is available from the Australian Government Department of Education, Science and Training (DEST). Because of changes in the classification of courses, however, comparisons over time cannot be made for data before 2001.

Between 2001 and 2004 the number of students completing courses related to community services occupations increased from 4,915 to 5,416, a 10% increase (Table 7.26). Almost three-quarters completed undergraduate degrees (72% in 2004). Special education teaching and counselling were largely postgraduate courses. As with the employed labour force, students in community services fields were predominantly female, 89% in 2001 and 2004.

Table 7.26: Australian citizens/permanent residents completing selected community services-related higher education courses, sex and course level, 2001 and 2004

| Field of education | 2001 | | | 2004 | | |
|--|--------------|-----------------|------------------------|--------------|-----------------|------------------------|
| | Number | Per cent female | Per cent undergraduate | Number | Per cent female | Per cent undergraduate |
| Teacher education: early childhood | 1,615 | 98 | 91 | 1,828 | 97 | 92 |
| Teacher education: special education | 503 | 90 | 29 | 555 | 88 | 30 |
| Human welfare studies and services | 481 | 81 | 68 | 441 | 83 | 72 |
| Social work | 1,330 | 87 | 90 | 1,354 | 86 | 87 |
| Children's services | 25 | 96 | 96 | 17 | 100 | 88 |
| Youth work | 85 | 80 | 100 | 97 | 85 | 100 |
| Care for the aged | 45 | 93 | 33 | 40 | 90 | 53 |
| Care for the disabled | 73 | 88 | 92 | 123 | 90 | 91 |
| Counselling | 482 | 76 | 20 | 645 | 77 | 22 |
| Welfare studies | 231 | 84 | 86 | 173 | 87 | 80 |
| Human welfare studies and services, n.e.c. | 45 | 69 | 36 | 143 | 73 | 38 |
| Total | 4,915 | 89 | 74 | 5,416 | 88 | 72 |

Source: AIHW analysis of DEST data.

7.9 Community services industries

As noted in the previous section (Figure 7.4 and Table 7.21), 268,400 persons were employed in community services industries in 2006, with two-thirds of these having a community services occupation, that is, one which provides care and welfare services. The remaining 93,900 have other occupations, such as administration, food service, transportation and facilities maintenance. This section explores workforce issues for some of these industries—child care, aged care and disability services—where there are

available data. Efforts to expand this information continue, with impetus coming from the Structural Issues in the Workforce Sub-Committee of the Community and Disability Services Ministers' Advisory Council.

Child care industry workers

Child care is a large industry, with rapid growth driven by the demand for and supply of this service, as described in Section 2.4. Information on workers in child care services is available from the Census of Child Care Services conducted every 2 years by the Australian Government Department of Families, Community Services and Indigenous Affairs (FaCSIA). The census collects information about service operation and characteristics of children, parents and staff, from child care services funded by the Australian Government, including those for which parents can claim the Child Care Benefit.

In addition to the FaCSIA censuses, information is available from the 2004 National Children's Services Workforce Study, commissioned by the Community Services Ministers' Advisory Council (CSMAC 2006). This study covered all children's services licensed by the states and territories—long day care, outside school hours/vacation care, occasional care and (in some jurisdictions) preschools/kindergartens—but not family day care.

According to the FaCSIA child care census conducted in 2006, there were 87,851 paid workers (including both caregivers and support staff) in these services, supplemented by 1,069 unpaid workers (Table 7.27). The number of paid workers in 2006 represents an increase of 13% over comparable figures from 2001 and 35% from 1997. At the same time, the number of unpaid workers has declined. The distribution of workers across the various service types is largely dependent on the numbers of places for children using the services and their ages.

Table 7.27: Estimated number of paid and unpaid child care workers in Australian Government-supported child care services, 1997 to 2006

| Type of service | 1997 | | 2002 | | 2006 | |
|--|---------------|--------------|---------------|--------------|---------------|--------------|
| | Paid | Unpaid | Paid | Unpaid | Paid | Unpaid |
| Long day care services | 36,779 | 2,675 | 40,787 | 2,549 | 58,009 | 850 |
| Family day care/in home care coordination unit staff | 1,663 | 53 | 1,693 | 36 | 1,958 | 18 |
| Family day care/in home care carers | 14,039 | n.a. | 13,047 | n.a. | 11,922 | n.a. |
| Before/after school care | 7,633 | 452 | 10,457 | 411 | 14,516 | 152 |
| Vacation care | 3,514 | 320 | 9,950 | 445 | 14,588 | 217 |
| Occasional care/other | 1,494 | 221 | 1,581 | 129 | 1,446 | 49 |
| Total | 65,122 | 3,721 | 77,515 | 3,570 | 87,851 | 1,069 |

Notes

1. Data were adjusted (weighted) by FaCSIA for service provider non-response.
2. Family day care/in home care carers are not classified as paid/unpaid.
3. Totals do not include workers in vacation care, since many of these would have also been working in before/after school care services.
4. Occasional care/other includes occasional care centres, multifunctional Aboriginal children's services, mobile children's services and toy libraries.

Source: Unpublished data from FaCSIA Censuses of Child Care Services 1997, 2002 and 2006.

A large proportion of the staff in child care services are in positions where the majority of their work was spent in direct contact with children. In 2006, 53,578 people were employed as direct contact staff in long day care centres, providing care for children below school age (Table 7.28). This figure is 92% of all paid staff in such centres. Comparable figures for the two forms of care for school-age children, before/after school care and vacation care, were 95% and 96% respectively.

The conditions of employment varied between the service types. Over three-quarters (76%) of paid contact staff in long day care centres were employed on a permanent basis, compared to 30% of those in before/after school care and 22% in vacation care (Table 7.28). High proportions of the paid contact staff in before/after school care and vacation care were employed on a casual basis.

Most carers in family day care and in home care services are classified as self-employed, and therefore the categories 'permanent' and 'casual' are not relevant for this group. The average weekly hours worked by these carers was relatively high, at over 44 hours, compared to 30 hours per week for paid contact staff in long day care centres and 24 hours per week for those in vacation care. Paid contact staff in before/after school care worked only 9 hours per week on average (Table 7.28).

Table 7.28: Direct contact staff and carers working in Australian Government-supported child care services: hours worked and employment status, 2006

| Type of service | Paid contact staff | | | | Unpaid contact staff | |
|-------------------------------------|------------------------------------|---------------------------------|-----------------------------------|----------------------|-------------------------------------|----------------------|
| | Permanent contact staff (per cent) | Casual contact staff (per cent) | Total paid contact staff (number) | Average hours worked | Total unpaid contact staff (number) | Average hours worked |
| Long day care services | 76 | 21 | 53,578 | 29.6 | 647 | 18.2 |
| Family day care/in home care carers | n.a. | n.a. | 11,922 | 44.1 | n.a. | n.a. |
| Before/after school care | 30 | 66 | 13,843 | 8.6 | 112 | 6.1 |
| Vacation care | 22 | 76 | 13,962 | 23.7 | 173 | 20.6 |
| Occasional care/other | 65 | 29 | 1,231 | 25.3 | 36 | 14.3 |

Notes

1. This table includes only 'primary contact staff', 'other contact staff' and 'carers'; it excludes 'administration', 'other workers' and coordination unit staff.
2. Data were adjusted (weighted) by FaCSIA for service provider non-response.
3. Most family day care/in home care carers are classified as self-employed ('not an employee'), and therefore the categories 'permanent', 'casual' and 'unpaid' are not applicable.
4. 'Permanent' and 'casual' do not total to 100% because some staff are classified as 'fixed term contract' and 'not an employee'.
5. Occasional care/other includes occasional care centres, multifunctional Aboriginal children's services, mobile children's services and toy libraries.

Source: Unpublished data from FaCSIA Census of Child Care Services 2006.

An important issue in the development of the child care industry in Australia has been the quality of the care provided, a key component of which is the qualifications and training of the staff. According to the 2006 Census of Child Care Services, 61% of the staff in long day care services had relevant qualifications and 77% had undertaken in-service training in the previous 12 months (Table 7.29). Less than one-third (32%) of care providers in family day care and in home care services had relevant qualifications; 38% had 3 or more years

of experience and 67% had taken in-service training in the previous 12 months. Just under one-half (48%) of staff in before/after school care and vacation care services had relevant qualifications, and 71% had some form of training in the previous year.

The 2004 National Children's Services Workforce Study provides some demographic information on the staff in the services covered (long day care, outside school hours/vacation care, occasional care and preschools/kindergartens where they were licensed) (CSMAC 2006). It estimated there were 99,275 people working in these services. Over half (56%) worked in long day care, 23% in outside school hours/vacation care, 15% in preschools/kindergartens, and 6% in occasional care services.

The age profiles of the different service types were quite different. The average ages of staff in long day care and outside school hours/vacation care were 33 years and 34 years respectively, compared with 39 years in occasional care and 41 years in preschools/kindergartens.

Table 7.29: Qualifications and training of workers in Australian Government-supported child care services, 2006 (per cent)

| Type of service | Level of qualifications | | | | | In-service training in previous 12 months | | |
|--|-------------------------|-----------------------------|----------------------|---------------|-------|---|------------------------|-------|
| | Has qualifications | Studying for qualifications | 3+ years' experience | None of these | Total | Training undertaken | No training undertaken | Total |
| Long day care services | 61 | 11 | 12 | 17 | 100 | 77 | 23 | 100 |
| Family day care/in home care coordination unit staff | 72 | 2 | 20 | 6 | 100 | 89 | 11 | 100 |
| Family day care/in home care carers | 32 | 6 | 38 | 24 | 100 | 67 | 33 | 100 |
| Before/after school care | 48 | 19 | 13 | 20 | 100 | 71 | 29 | 100 |
| Vacation care | 48 | 21 | 11 | 20 | 100 | 71 | 29 | 100 |
| Occasional care /other | 60 | 8 | 19 | 12 | 100 | 75 | 25 | 100 |

Notes

1. Data were adjusted (weighted) by FaCSIA for agency non-response.
2. Workers include paid and unpaid workers.
3. Each worker has been counted once for level of qualifications and once for in-service training. However, a qualified worker may also be studying for a qualification and have 3 or more years of experience. In such cases, the worker has been counted in the highest category, beginning with 'Has qualifications'.
4. Double-counting may occur for workers in before/after school care and vacation care services.
5. Some rows may add to less than or greater than 100 due to rounding.
6. Occasional care/other includes occasional care centres, multifunctional Aboriginal children's services, mobile children's services and toy libraries.

Source: Unpublished data from FaCSIA Census of Child Care Services 2006.

Aged care services workers

As described in Section 3.7, there are a variety of programs providing services to older Australians, those aged 65 years or over, particularly those with care needs due to frailty or disability. Some of these are residential care services for older people who can no longer live at home, while others are non-residential (or 'community') services aimed at assisting older people in their own homes or the homes of their carers. The ageing of Australia's population will increase the demand for workers in these services.

Recent government initiatives have recognised the critical importance of a skilled workforce for the efficient and effective delivery of aged care programs (Box 7.6).

Box 7.6: Measures to support and strengthen the aged care workforce

Better Skills for Better Care, aimed to deliver funding of \$101.4 million over 4 years will deliver Certificate Level III and IV training in aged care targeted at personal care workers, English language training, training in medication administration for enrolled nurses and 1,600 new nursing places at universities (2004–05 Budget).

The **National Aged Care Workforce Strategy**, released in 2005, provides a framework for the aged care sector to plan and develop best practice workplace models.

Forty additional **aged care specialist university nursing places** began in January 2005 and \$3.3 million is to be allocated to increase additional places to 109 by 2008. The target is a total of 1,203 aged care nursing places by 2008 at an approximate cost of \$36 million over 4 years.

All aged care workers in Australia were required to have a **police background check** by June 2007 and police checks were to be incorporated into employment procedures for potential new aged care workers by March 2007.

New funding of \$21.6 million over 4 years for **Encouraging Best Practice in Residential Aged Care**, a program designed to identify and promote best clinical practice by staff in residential care (2006–07 Budget).

New funding of \$13.4 million over 4 years to support **training for around 2,700 direct care workers**, with priority to be given to workers involved in Extended Aged Care at Home (EACH) and EACH Dementia package delivery (2006–07 Budget).

Continued funding for **aged care nursing scholarships** and **training support** for aged care workers in smaller residential facilities and rural and isolated locations.

Securing the future of aged care for Australians package, announced in February 2007, provides \$32.1 million over 4 years for 6,000 training places for personal care workers and 410 nursing scholarships.

Workers in aged care are not readily identified in the ABS Labour Force Survey statistics discussed above (tables 7.21–7.24; see also AIHW: Vaughan 2006 and Meagher & Healy 2005). According to the 2001 Census, there were 65,884 workers in nursing homes and 17,958 in aged care accommodation services (AIHW 2003). There also were 80,669 workers in non-residential care services, but it is not possible to distinguish how many of these were providing aged care services.

A study of the residential aged care workforce was commissioned in 2003 by the Australian Government Department of Health and Ageing (DoHA) and carried out by the National Institute of Labour Studies (NILS). Using data from residential aged care facilities, this study estimated that there were 115,661 workers involved in direct care for residents (Table 7.30). Over half of these (58%) were personal carers, with the remainder being registered nurses (21%), enrolled nurses (13%) and allied health workers (8%). As in most community services sectors (see Table 7.23), workers involved in direct care in residential aged care were predominantly female, with 6% being males. The average age of all these workers was 45 years, ranging from 43 years for personal carers to 49 years for registered nurses. Average weekly hours ranged from 29 for allied health workers to 32 for registered nurses. NILS is currently conducting a second study of the aged care workforce for DoHA, which also covers the non-residential aged care sector.

Table 7.30: Workers in residential aged care facilities: selected characteristics by type of worker, 2003

| | Type of worker | | | | Total |
|---------------------------------------|------------------|----------------|----------------|----------------------|----------------|
| | Registered nurse | Enrolled nurse | Personal carer | Allied health worker | |
| Number | 24,019 | 15,604 | 67,143 | 8,895 | 115,661 |
| Average age (years) | 48.6 | 43.5 | 43.0 | 46.0 | 44.8 |
| Per cent male | 5.6 | 4.3 | 6.8 | 9.0 | 6.3 |
| Average hours usually worked per week | 32.3 | 30.3 | 29.2 | 29.0 | 30.2 |

Sources: Richardson & Martin (2004); additional tabulations provided by NILS.

The *Review of pricing arrangements in residential aged care* (Hogan 2004) identified a shortage of trained nursing staff; workforce ageing; barriers to recruitment; retention and re-entry to the workforce; poor job satisfaction among workers; and the changing profile of consumers as particular challenges for the residential aged care sector. A key recommendation of the review was an increase in the number of registered nurse places at Australian universities by 2,700 over 3 years, with 1,000 first-year commencements in the 2005 academic year as well as training targets for enrolled nurses and vocationally trained aged care workers, supported by government and residential care providers. The Securing the Future of Aged Care for Australians package, announced in February 2007, included some nursing scholarships in response to this recommendation (Box 7.6).

Disability services workers

Information on the supply of workers in disability services is available through the Commonwealth State/Territory Disability Agreement (CSTDA) National Minimum Data Set. In this data set, funded services (described in greater detail in Section 4.3) provide information on the hours worked by both paid and unpaid staff in their agencies during a representative week. The number of FTE workers can thus be estimated by dividing the total hours worked by 35, the number of hours in the standard working week.

In 2005–06, 90% of the CSTDA-funded disability services outlets provided information on staff hours. Based on this information, there were 45,401 FTE paid staff and 1,413 FTE unpaid staff in these services, with 62% of paid staff and 86% of unpaid staff working in non-government agencies (Table 7.31). The majority (56%) of FTE paid staff worked in accommodation support services, with the remainder in employment services (14%), community access services (13%), community support services (8%), respite services (6%) and other services (3%), including advocacy and publicity.

In 2005, the National Disability Administrators (NDA) commissioned an investigation into workforce capacity issues in the disability sector. According to information supplied by the relevant government departments in each state and territory for this investigation, there were 19,578 government-employed direct-contact workers in the sector in 2005. The disability workforce was a substantial component of the human services workforce in each state and territory. In addition, the Australian Government disability workforce was about 6,800 in 2003. The report from this investigation estimated the total disability workforce to be around 60,000 (NDA 2006).

Table 7.31: Disability services workers, paid and unpaid full-time equivalent^(a) numbers by service type, 2005–06

| | Accommodation support | Community support | Community access | Respite | Employment | Other | All services |
|--------------------------------|-----------------------|-------------------|------------------|---------|------------|-------|---------------|
| Government agencies | | | | | | | |
| Paid workers | 11,139 | 1,541 | 577 | 727 | 2,763 | 442 | 17,189 |
| Unpaid workers | 104 | 4 | 12 | 26 | 28 | 26 | 199 |
| Non-government agencies | | | | | | | |
| Paid workers | 14,350 | 1,963 | 5,231 | 2,019 | 3,548 | 1,100 | 28,212 |
| Unpaid workers | 242 | 42 | 390 | 148 | 53 | 339 | 1,214 |
| All agencies | | | | | | | |
| Paid workers | 25,489 | 3,504 | 5,808 | 2,745 | 6,311 | 1,542 | 45,401 |
| Unpaid workers | 346 | 46 | 402 | 174 | 81 | 365 | 1,413 |

Note: These data have not been adjusted (weighted) for agency non-response.

(a) Based on 35 hours per week as the standard for 'full-time'.

Source: Unpublished tabulations from the CSTDA MDS.

The investigation also found that the disability workforce is, on average, older than the general workforce in Australia. Disability services may therefore experience shortages sooner than other industries due to the number of disability services workers expected to retire in the next 10 years. Strategies were outlined in the report to retain older workers through re-skilling and improved conditions, and in attracting new workers from sources such as those seeking a second career, those displaced from other industries, and those from culturally and linguistically diverse backgrounds.

7.10 Unpaid workforce

As explained earlier in this chapter, people who provide welfare services on an unpaid basis are:

- volunteers who contribute their time in an organised or formal manner to welfare services providers
- carers who provide personal assistance to family members or others on an informal basis.

Volunteers

Many organisations in the community, including those that provide community or welfare services, depend heavily on volunteers. Some information on unpaid workers (volunteers) in child care services and disability services was presented in the previous sections (tables 7.27, 7.28 and 7.31), using data specific to those sectors. Other information is available from the ABS General Social Survey (GSS) conducted in 2006.

According to the 2006 GSS, over one-third (34%) of the population aged 18 years or over (5.2 million persons) participated in some form of volunteer work in sporting, school, community, welfare and other organisations in the previous 12 months (Table 7.33). For those undertaking volunteer work for community or welfare organisations, the GSS recorded a volunteering rate of 7% in 2006.

Table 7.33: Persons aged 18 years or over participating or not participating in volunteer work in last 12 months: number, rate^(a), median age and median annual hours, by sex, 2006

| | Number | Rate ^(a) | Median age (years) | Median annual hours ^(b) |
|--|-------------------|---------------------|--------------------|------------------------------------|
| Males | | | | |
| Volunteered in any organisation | 2,405,200 | 31.8 | 44 | 30 |
| <i>Volunteered in a community/welfare organisation</i> | 423,100 | 5.6 | 54 | 36 |
| Did not volunteer | 5,148,100 | .. | 44 | — |
| Total | 7,553,300 | .. | 44 | .. |
| Females | | | | |
| Volunteered in any organisation | 2,821,300 | 36.4 | 44 | 36 |
| <i>Volunteered in a community/welfare organisation</i> | 700,000 | 9.0 | 52 | 40 |
| Did not volunteer | 4,932,400 | .. | 45 | — |
| Total | 7,753,800 | .. | 44 | .. |
| Persons | | | | |
| Volunteered in any organisation | 5,226,500 | 34.1 | 44 | 36 |
| <i>Volunteered in a community/welfare organisation</i> | 1,123,100 | 7.3 | 53 | 40 |
| Did not volunteer | 10,080,500 | .. | 45 | — |
| Total | 15,307,100 | .. | 44 | .. |

(a) Number of volunteers as a percentage of the relevant population aged 18 years or over.

(b) Median annual hours are for organisational involvements. On average, a volunteer undertook 1.5 involvements; a volunteer for community/welfare organisations averaged 1.1 involvements of this organisation type.

Sources: ABS 2007; unpublished data from ABS General Social Survey 2006.

The 2006 GSS also found that females were more likely than males to undertake voluntary work, both overall (36% compared with 32%) and for community or welfare organisations (9% compared with 6%). Females also volunteered more hours than did males in any organisation and in a community or welfare organisation. Volunteers in community or welfare organisations tended to be older than volunteers as a whole, with a median age of 53 years compared with 44 years for all volunteers.

Rates of volunteering in any organisation are also affected by employment status, with those in paid employment having higher rates of volunteering than those who were unemployed or not in the labour force (the latter group including, among others, retired people and stay-at-home mothers) (Table 7.34). Although the rates of participating in volunteering were lower for the retired, retired volunteers contributed an average of 228 hours per year compared with 115 hours per year for employed people who volunteered (ABS 2007). Rates of volunteering in a community or welfare organisations, according to the 2006 GSS, were higher among those not in the labour force, 9%, compared with 6% for both the unemployed and those in paid employment.

Table 7.34: Persons aged 18 years or over participating or not participating in volunteer work in last 12 months, by employment status, 2006 (per cent)

| | Employed | Unemployed | Not in the labour force | Total |
|---|-------------------|----------------|-------------------------|-------------------|
| Volunteered in any organisation | 37 | 26 | 30 | 34 |
| <i>Volunteered in a community or welfare organisation</i> | 6 | 6 | 9 | 7 |
| Did not volunteer | 63 | 74 | 70 | 66 |
| Total (per cent) | 100 | 100 | 100 | 100 |
| Number of persons | 10,026,000 | 472,000 | 4,809,000 | 15,307,000 |

Source: Unpublished data from ABS General Social Surveys 2006.

Carers

Unpaid carers are a large and often under-recognised part of the community services workforce. For the purposes of its Survey of Disability, Ageing and Carers, the ABS defines a carer as:

A person of any age who provides any informal assistance, in terms of help or supervision, to persons with disability or long-term conditions, or older persons... This assistance has to be ongoing, or likely to be ongoing, for at least 6 months (ABS 2004).

The Survey of Disability, Ageing and Carers found that, in 2003, there were about 2.6 million people who were carers, representing approximately 13% of people living in households. Just over half (54%) of all carers were females. The proportion of people who were carers ranged from 4% in the under 18 age group to 22% in the 55–64 age group (ABS 2004). Primary or principal carers, those who were the main provider of care, were about 20% of the 2.6 million carers, with the remaining 80% of carers being non-primary carers, sometimes called secondary carers.

Several chapters in this volume of *Australia's welfare* have pointed out the contributions that unpaid carers make in providing welfare services, such as for children, the aged and persons with disability.

Grandparent families, in which grandparents are raising their grandchildren, are highlighted in Section 2.3. According to the ABS Family Characteristics Survey, in 2003 there were 22,500 grandparent families raising 31,100 children aged 17 years or under. Grandparents are also the largest providers of informal child care. The 2005 ABS Child Care Survey found that grandparents provided informal care to 20% of all children aged 0–12 years (661,200 children), a similar proportion to previous years.

Section 2.3 also shows that a considerable number of children and young people provide informal care to parents, relatives or other people with disability or a long-term health condition. According to the Survey of Disability, Ageing and Carers, in 2003 about 300,900 people aged under 25 years (2.2% of this age group) were caring for a household member with a long-term health condition or disability, or for an elderly household member.

Section 3.6 analyses unpaid care for the elderly. In 2003, about 239,400 primary carers were providing assistance to one or more persons aged 65 years or over. Around 43% of these carers were spouses and a similar proportion were children of the person needing care. Primary carers of older people are concentrated in the mature age and older age groups: 40% were themselves older people, aged 65 years or over.

Section 4.3 includes a discussion on unpaid carers for people with disability, with an analysis of the impact of long-term caring roles on carers. For example, carers of people with psychiatric disability face issues such as ongoing lack of treatment and accommodation services, the stigma associated with mental illness that can lead to social isolation of the whole family, and a decreased capacity for employment. Section 4.3 also discusses people with disability who provide unpaid care to others in their family or community. Examples include parents with disability who care for their children and older spouses who care for their partners even though they have significant disability themselves.

7.11 Summary

Financial resources

The total value of resources devoted to providing welfare services in Australia in 2005–06 was estimated at \$72.6 billion, \$41.2 billion of which was the imputed value of unpaid services by members of the household sector provided either independently or through organisations. Carer payments were \$2.5 billion. The remaining \$28.9 billion was welfare services where there were financial transactions involved, that is, paid services.

This \$28.9 billion of paid services represented 3.0% of GDP. Welfare services expenditure as a proportion of GDP has been relatively stable over the period from 1998–99 to 2005–06, ranging between 2.8% (in 1999–00 and 2001–02) and 3.0% in the last 3 years of the period.

Per person expenditure in current prices increased from \$943 in 1998–99 to \$1,404 in 2005–06. In real prices (adjusted for inflation), per person expenditure on welfare services increased from \$1,192 to \$1,404 corresponding to an average real growth of 2.4% per year.

In 2005–06, 71% (\$20.4 billion) of total funding was by the government sector, 20% (\$5.8 billion) by households, and 9% (\$2.6 billion) by NGCSOs. Of the total recurrent government funding, just over half (56%) was by the Australian Government, 41% by state and territory governments, and the remaining 3% was by local governments.

Of the total Australian Government recurrent funding, services for older people accounted for 64%. Of the balance, 21% went to families and children, 13% to services for people with disability, and 2% to other welfare services.

Of the total state and territory government recurrent expenditure, welfare services for people with disability accounted for 39%, for families and children, 26%, and for older people, 25%. The remaining 10% was for other welfare services.

Other forms of funding by governments are tax expenditure and concessions. These are governments' revenue forgone when governments provides a benefit such as tax exemption, tax deductions, concessional tax rates and concessional services charges to a specified activity/services or class of taxpayer and eligible recipients. Total tax expenditure by the Australian Government in 2005–06 was estimated at \$25.7 billion, more than three-quarters of which was for older people. Total value of core concessions was estimated at \$1.7 billion.

The NGCSOs' role is predominantly as providers of welfare services. The expenditure they incurred in 2005–06 was \$20.3 billion, and represented 70% of the total expenditure on welfare services in that year. Expenditure by NGCSOs almost doubled between 1998–99 and 2005–06, from \$11.1 billion to \$20.3 billion.

About 60% of expenditure incurred by NGCSOs was funded by governments, and a quarter from clients in the form of fees charged for welfare services. The NGCSOs themselves provided 13% from their own funds.

Welfare expenditure is composed of expenditure on welfare services (benefits-in-kind) and income support payments (cash benefits). In 2005–06, welfare expenditure was \$34.2 billion for older people, \$26.6 billion for families, \$16.9 billion for people with disability, and \$3.2 billion for other disadvantaged groups.

Australia's welfare expenditure as a proportion of GDP was 13.8% (if superannuation benefits payments are included). This compares to the OECD average for welfare expenditure of 14.7% of GDP (Table 7.20).

Human resources

People who provide welfare services fall into three categories: workers in paid employment (the 'workforce'); volunteers who contribute their time in an organised or formal manner to welfare services providers; and carers who provide personal assistance to family members or others on an informal basis.

In 2006, 268,400 people worked in community services *industries*, 2.6% of all workers. A total of 65% of the workers in community services *industries* were in community services *occupations*. The remainder worked in other occupations.

In 2006, 363,100 workers were classified in community services *occupations*, 3.6% of all workers. Just under one-half (48%) of those working in community services *occupations* worked in community services *industries*, with the other half spread across other industries, particularly the health, education, government administration and defence industries.

The largest group among community services occupations in 2006 was children's care workers (which includes child care coordinators), with 99,800 workers, or 27% of all workers in community services occupations.

In 2006, the average hours worked per week in these occupations was 28.0, and the supply of community services workers was 1,403 per 100,000 population.

In 2006, the average total weekly earnings of full-time non-managerial employees working in most community services occupations and whose jobs were in the community services industry were less than the earnings for corresponding employees in other industries. The greatest difference was for social workers, where those in community services industries earned \$284 less per week, on average, than those in other industries.

According to the census of child care services conducted in 2006, there were 87,851 paid workers (including both caregivers and support staff) in these services, supplemented by 1,069 unpaid workers (Table 7.27). The number of paid workers in 2006 represents an increase of 13% over comparable figures from 2001. The number of unpaid workers declined.

Using data from residential aged care facilities, a 2003 study estimated that there were 115,661 workers involved in direct care for residents. Over half of these (58%) were personal carers, with the remainder being registered nurses (21%), enrolled nurses (13%) and allied health workers (8%).

In 2006, there were 45,401 FTE paid staff and 1,413 FTE unpaid staff in CSTDA-funded disability services.

According to the GSS, over one-third of the population aged 18 years and over (5.2 million persons) participated in some form of volunteer work in 2006. A total of 1.1 million, or 7% of the adult population, volunteered in community or welfare organisations.

The Survey of Disability, Ageing and Carers found that there were about 2.6 million people who were carers in 2003, representing approximately 13% of people living in households.

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