

4 Welfare services resources

4.1 Introduction

This chapter presents information on resources devoted to welfare services. Specifically, these resources are:

- expenditure on the provision of welfare services¹ (which includes expenditure on wages and salaries); and
- human resources involved in providing or supporting the provision of welfare services, including:
 - people employed in those industries whose primary function is to provide community services;
 - people employed in 'community service' occupations in other industries;
 - people who provide and/or support the provision of welfare services on an 'unpaid' basis, either through community services organisations or as informal carers of family members, neighbours and friends.

Expenditure on welfare services occurs when a service is provided and there is a financial transaction involved. This may be where a fee is raised for the service concerned, a government provides benefit to an individual, a subsidy is given to support the service, or some other form of financial transaction arises. This expenditure is included in the estimates of national expenditure.

In addition, many welfare services provided in Australia do not involve direct financial transactions. These include care provided by families and neighbours to older people, people with disabilities or families with children. They also include the work that volunteers do to support organisations that provide welfare services.

In order to present as broad a picture as possible of the total value of the welfare services that are provided to Australians, it is necessary to include an equivalent dollar value for these 'unpaid' welfare services. The method used in this chapter assumes that the value of the services produced by this unpaid workforce is equal to the cost of labour that would have been incurred had those services been produced by employed persons (see Box 4.1 and AIHW 1995:29 for more details about the valuation methods).

1 Not included are income support and long-term housing assistance, and health-related expenditure items (see Box 4.4).

The third expenditure category that is included in the calculation of the total value of welfare services produced in Australia is the imputed value of taxation expenditures. These are estimates of the revenue forgone by governments as a result of concessional taxation treatment in respect of inputs used by some non-government community services organisations (NGCSOs).

Because most direct expenditure on welfare services is financed through government programs, expenditure is generally classified along the lines of the welfare services government purpose classifications used by the Australian Bureau of Statistics in its government financial statistics. These classifications are:

- family and child welfare services
- welfare services for older people
- welfare services for people with disabilities
- other welfare services not elsewhere classified (nec).

Box 4.1: Valuing unpaid time used by the households sector to provide welfare services

The method used in this publication to impute the value of unpaid welfare services involves relating the time spent by members of households to assumed values of the time spent on the work done. There are a number of reasons why this will underestimate the full value of the activity. First, the conditions under which people provide unpaid services are governed more by personal motivation, altruism and dedication than work practice arrangements or the level of remuneration. Second, no account is taken of whether penalty rates or other award provisions might apply should the service have been provided at the particular time of day by a paid employee. Third, there is no recognition of annual leave, superannuation, personal leave and other entitlements that might apply in the case of paid employees. There would also have been overheads involved had the services been provided by paid employees of either government or non-government community services organisations.

The hourly rate that was used for valuing the unpaid time spent providing welfare services was the average hourly pay rates that would have been incurred had an appropriately qualified person been employed to undertake that activity.

The relative hours and wage rates used to value unpaid time were:

- *adult male carers and aides (full-time non-managerial employees) – 38.4 hours per week at \$17.34 per hour; and*
- *adult female carers and aides (full-time non-managerial employees) – 37.9 hours per week at \$15.32 per hour.*

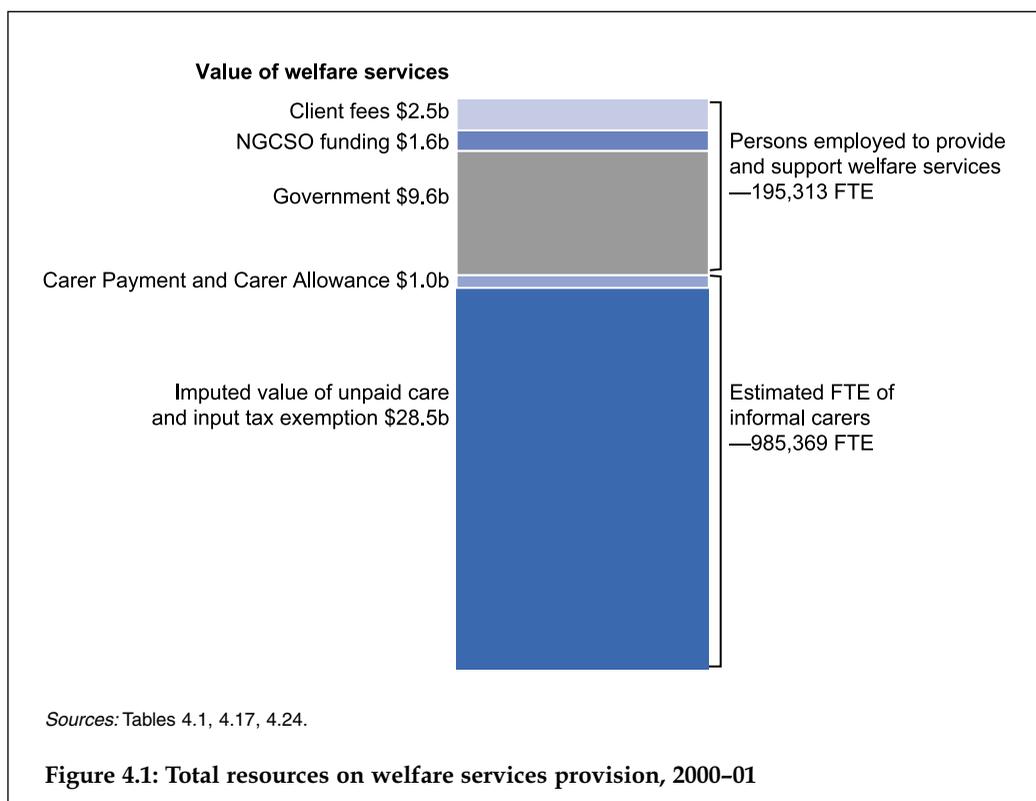
Source: ABS 2001a.

4.2 Total resources

The total value of the welfare services provided during 2000–01 was estimated at \$43.2 billion. Of this, 31.8% (\$13.7 billion) relates to services for which expenditure was incurred (Figure 4.1). The remaining \$29.5 billion was ‘imputed’ as the value of services where no payments or expenses were actually incurred.

Of the \$13.7 billion in expenditure, \$13.5 billion was incurred by governments and NGCSOs (see Table 4.3). The remaining \$201 million was estimated fees paid by households for informal child care services provided by other members of the households sector (see Box 4.5).²

Revenue forgone by governments as a result of concessional taxation treatment for NGCSOs was estimated at \$0.7 billion (see Table 4.17). The remaining \$28.8 billion was the imputed value of the households sector’s unpaid contribution to welfare services (see Section 4.5). Some of this (\$1.3 billion) was in the form of voluntary work through organisations but most (\$27.4 billion) was the imputed value of informal care in the



2 Informal child care refers to non-regulated care that takes place in the child’s home or elsewhere. It includes care by family members, friends, neighbours, paid babysitters and nannies (ABS 2003a:2).

households sector. This included neighbours providing care to others, informal child care arrangements, and informal care of older people and people with disabilities. Some of these informal carers received social security payments in the form of Carer Allowance or Carer Payments which, in 2000–01, totalled \$1.01 billion (FaCS 2002:141).³ This represented 3.7% of the total imputed value of informal care.

The paid workforce involved in providing and/or supporting welfare services in 2000–01 was estimated at 195,000 full-time equivalent (FTE) workers. The unpaid workforce was estimated to be about five times the paid workforce (in terms of FTEs).

4.3 Expenditure on welfare services and its funding

This section analyses expenditure on welfare services in Australia both in terms of who incurs the expenditure and who provides the funding for that expenditure.

In this context, the term ‘expenditure’ is used to define the expenses or payments that are incurred when welfare services are being provided.

In paying for the expenditure, service providers use their own financial resources or funds provided by other sources (usually governments), and fees by clients. This is referred to as ‘funding’.

Expenditure on welfare services

The \$13.7 billion total expenditure on welfare services in 2000–01 constituted 2.1% of gross domestic product (GDP) (Table 4.1). Per person expenditure averaged \$707, up by \$21 per person on the previous year (Table 4.2).

Because of the break in the time series data after 1997–98 (Box 4.2), it is not appropriate to calculate average growth rates covering the whole period from 1992–93 to 2000–01. Instead, the growth rates following the break in series are compared with those that applied prior to the break.

3 Carer Allowance is an annually indexed income supplement available to people who provide daily care and attention to a person who is frail aged, has severe disability or a medical condition. Carer Allowance is not income and assets tested. Carer Payment is an income support payment for people whose caring responsibilities prevent them from undertaking substantial workforce participation. It is means tested and paid at the same rate as other social security income support payments. In 2000–01, Carer Allowance and Carer Payments were respectively \$82 and \$400 per fortnight.

Table 4.1: Welfare services expenditure as a proportion of GDP^(a) and annual growth rate, 1992–93 to 2000–01

	Current prices		Constant prices ^(b)	
	Expenditure (\$m)	Expenditure (% of GDP)	Expenditure (\$m)	Growth rate (%)
1992–93	7,125	1.7	7,974	..
1993–94	7,726	1.7	8,584	8.4
1994–95	8,355	1.8	9,277	8.2
1995–96	9,069	1.8	9,975	7.5
1996–97	9,958	1.9	10,807	8.3
1997–98	10,874	1.9	11,694	6.2
<i>Break in time series</i>				
1998–99 ^(c)	11,883	2.0	12,369	—
1999–00 ^(c)	13,073	2.1	13,500	9.1
2000–01	13,690	2.1	13,690	1.4
Average annual growth rate				
1992–93 to 1997–98	—	—	—	8.4
1998–99 to 2000–01	—	—	—	5.2

(a) GDP(I)—the income-based estimate of GDP was used.

(b) For recurrent expenditure, the implicit price deflator for GFCE was used to deflate both government and non-government current price expenditure to 2000–01 prices. For capital expenditure, Gross Fixed Capital Formation—Chain Price Index was used.

(c) Estimates were revised (see detail in AIHW 2003a:26–8).

Sources: Welfare services expenditure—AIHW database; GDP—ABS 1999a, 1999b, 2001b.

Box 4.2: Cash and accrual accounting

Prior to 1998–99, governments in Australia consistently reported expenditure on a cash basis. This meant that payments were recorded in the financial year in which they were made, regardless of whether they were for services provided in that year.

Since 1998–99, governments in most jurisdictions have adopted accrual accounting as the basis for their financial reporting. Under accrual accounting, only expenses that are incurred or accrued within the year are reported, irrespective of whether any related cash transactions actually occurred during that year. Accrual accounting also provides for the reporting of ‘non-cash’ transactions, such as depreciation (an estimate of the value of capital used up in the process of production of goods and services) and unfunded superannuation.

Because of the change in reporting of expenditure from cash to accrual, there is a break in the time series after 1997–98.

Real growth in total expenditure (i.e. after removing the effects of inflation) between 1998–99 and 2000–01 averaged 5.2% per year, compared with 8.4% between 1992–93 and 1997–98. Real growth in per person expenditure between 1998–99 and 2000–01 averaged 3.8% per year, compared with an average growth rate of 6.9% over the period 1992–93 to 1997–98 (Table 4.2).

Table 4.2: Welfare services expenditure per person, and annual growth rate, 1992–93 to 2000–01

	Expenditure per person (\$)		Growth rate in constant prices (%)
	Current prices	Constant prices ^(a)	
1992–93	405	450	..
1993–94	435	483	7.3
1994–95	465	516	7.0
1995–96	498	548	6.1
1996–97	540	587	7.0
1997–98	584	628	7.0
Break in time series			
1998–99	631	657	—
1999–00	686	709	7.9
2000–01	707	707	–0.2
Average annual growth rate^(b)			
1992–93 to 1997–98	—	—	6.9
1998–99 to 2000–01	—	—	3.8

(a) For recurrent expenditure, the implicit price deflator for GFCE was used to deflate both government and non-government current price expenditure to 2000–01 prices. For capital expenditure, Gross Fixed Capital Formation—Chain Price Index was used.

(b) Average annual growth rates are calculated using exponential growth.

Sources: Expenditure—AIHW database; Population—ABS 1996a, 1998a, 1998b, 1999c, 2002.

Three broad sectors incurring expenditure are governments, NGCSOs and households. In 2000–01, expenditure incurred by NGCSOs was just over half (\$6.9 billion) of total welfare services expenditure. Therefore the role of NGCSOs is predominantly as provider of services, though funding for the services they provide may come from sources other than their own (Box 4.3, Table 4.3, and Table 4.14). A further \$6.6 billion was incurred by governments—Commonwealth, state and territory, and local. Identified expenditure by the households sector—in the form of informal child care services for which payments were made—made up the remaining \$0.2 billion.

Between 1998–99 and 2000–01, the share of expenditure incurred by NGCSOs increased from 47.6% to 50.6%. This was because their expenditure grew at a faster rate than that of the government and households sectors, part of which was due to governments channelling expenditure through NGCSOs rather than providing direct services themselves. Between 1998–99 and 1999–00, expenditure incurred by NGCSOs increased in nominal terms (i.e. in current prices) by 12.0%, while over the year to 2000–01, it grew by 9.4%. The comparable figures for the government sector were 8.5% and 0.4%, and for the households sector declines of 1% and 2% (calculated from Table 4.3).

Between 1992–93 to 1997–98, the highest real growth in recurrent expenditure by the Commonwealth Government and state and territory governments was in welfare services for older people (14.7%) (Table 4.4). This was followed by welfare services for families and children (9.2%), other welfare services (8.0%), and welfare services for people with a disability (4.9%). Between 1998–99 to 2000–01, the highest real growth was in welfare services for people with a disability (6.7%) which was the area with the lowest growth in the earlier period. The second highest growth occurred in other welfare services (6.1%). This was followed by welfare services for families and children (5.7%) and welfare services for older people (4.1%).

Table 4.3: Total expenditure on welfare services, 1992–93 to 2000–01 (\$m)

Year	Sector incurring expenditure (current prices)			All sectors ^(b)
	Governments ^(a)	NGCSOs	Households sector ^(b)	
1992–93	3,192	3,933	..	7,125
1993–94	3,392	4,334	..	7,726
1994–95	4,049	4,306	..	8,355
1995–96	4,117	4,952	..	9,069
1996–97	4,124	5,562	272	9,958
1997–98	4,386	6,227	261	10,874
<i>Break in time series</i>				
1998–99	6,020	5,656	207	11,883
1999–00	6,533	6,335	205	13,073
2000–01	6,558	6,931	201	13,690

(a) Government expenditure calculated by subtraction.

(b) Includes only estimated client fees paid by households for informal child care services from 1996–97 to 2000–01.

Sources

Governments—Commonwealth: compiled from DHHCS 1991, 1992; DHHGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHAC 1999, 2000, DoHA 2001, 2002; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Immigration and Ethnic Affairs unpublished data; Department of Veterans' Affairs unpublished data. State/ territory: Recurrent expenditure—CGC 2002, CGC unpublished data; Capital expenditure—ABS unpublished public finance data. Local government: ABS unpublished public finance data.

NGCSOs—1992–93 estimated based on Industry Commission 1994; 1993–94 estimated based on Industry Commission 1995; 1994–95 to 2000–01 estimates based on a sample of NGCSOs' financial reports; 1998–99 to 2000–01, revised estimation method based on information from ABS 1998c, 2001c.

Households sector—Child care service clients' contribution estimated from ABS 1997, 2000a.

Box 4.3: Non-government community services organisations (NGCSOs)

NGCSOs are organisations, operating on either a for-profit or not-for-profit basis, that are privately managed to provide community services for families with children, youth, adults, older people, people with disabilities, and people from different ethnic backgrounds. Some receive funding from governments, some are fully self-funding, and others rely on a combination of funding sources, including fees charged to clients, to support their activities. In 1999–00, expenditure incurred by the not-for-profit organisations accounted for 23% of total NGCSO expenditure (ABS 2001c:15).

The not-for-profit NGCSOs' own funding comes from a variety of sources, including donations, legacies and bequests, fund-raising activities and a range of commercial activities, including opportunity shops. It also includes funding out of commercial income, such as income from employment services (for organisations providing services for people with disabilities). Also included are interest and dividends received from financial investment, and profits from sale of assets. Own source funding does not include clients' fees, which are regarded as funding by households.

These not-for-profit NGCSOs also benefit from input tax exemption whereas the for-profit NGCSOs do not.

Table 4.4: Recurrent government expenditure (in 2000–01 prices)^(a) across welfare service categories, 1992–93 to 2000–01

	Families and children		Older people		People with disabilities		Other welfare services (nec)		Total welfare services	
	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)
1992–93	1,575	..	1,139	..	1,543	..	405	..	4,681	..
1993–94	1,786	13.4	1,310	15.0	1,713	11.0	417	3.0	5,226	12.1
1994–95	2,069	15.8	1,575	20.3	1,672	-2.4	506	20.4	5,819	11.3
1995–96	2,327	12.5	1,639	4.0	1,696	1.4	539	7.2	6,201	6.6
1996–97	2,451	5.3	1,938	18.2	1,796	5.9	541	0.3	6,725	8.5
1997–98	2,448	-0.1	2,258	16.5	1,963	9.3	596	10.2	7,265	8.0
Break in time series										
1998–99	2,760	..	2,131	..	2,640	..	726	..	8,257	..
1999–00	3,154	14.3	2,159	1.3	2,803	6.2	830	14.3	8,946	8.3
2000–01	3,085	-2.3	2,308	6.9	3,008	7.3	818	-1.5	9,218	3.0
Average annual growth rate ^(b)										
1992–93 to 1997–98	9.2		14.7		4.9		8.0		9.3	
1998–99 to 2000–01	5.7		4.1		6.7		6.1		5.7	

(a) For recurrent expenditure, the implicit price deflator for GFCE was used to deflate current price expenditure to 2000–01 prices.

(b) Average annual growth rates are calculated using exponential growth.

Sources: Commonwealth expenditure—compiled from DHHCS 1991, 1992; DHHLGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHAC 1999, 2000, DoHA 2001, 2002; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Immigration and Ethnic Affairs unpublished data; Department of Veterans' Affairs unpublished data. State/ territory recurrent expenditure—CGC 2002, CGC unpublished data.

Box 4.4: Health-related items not included in estimates of expenditure on welfare services

Funding by the Commonwealth Government:

- *high-level care residential care subsidy – \$2.7 billion*
- *extended aged care at home – \$8.4 million.*

Funding by the households sector:

- *client fees for high-level residential care – \$736.9 million.*

If these items were included, total government funding would have increased from \$9.6 billion to \$12.3 billion and funding by the households sector would have increased from \$2.5 billion to \$3.3 billion.

Funding for welfare services

In 2000–01, governments in Australia contributed \$9.6 billion (70%) of the funding for welfare services (Table 4.5). The remaining 30% came from the non-government sector, comprising NGCSOs and households. Households paid \$2.5 billion in fees to service providers (both government and non-government) for some welfare services, while

NGCSOs contributed \$1.6 billion (11.6%) from their own (non-fee) revenue sources. The amounts do not include health-related expenditure (Box 4.4).

Over time, changes in the way services are delivered and funded, the types of services that are provided, demographic changes and many other factors leave their imprint on welfare services expenditure. They result in changes not only in the overall level of expenditure on welfare services, but also in the relative funding shares of the different financing sectors and the rates of growth in funding by those sectors.

Between 1992–93 and 1997–98, governments financed, on average, 65% of expenditure on welfare services (Table 4.5). The remaining 35% came from households and NGCSOs. The government sector's share of funding increased in the 1998–99 to 2000–01 period – so that it averaged 70%, while the non-government sector's average share fell to 31%.

Table 4.5: Funding sources of welfare services and their proportions, 1992–93 to 2000–01

	Government sources ^(a)				Non-government sources			Total expenditure
	Commonwealth	State/territory	Local	Total	NGCSOs	Households ^(b)	Total	
	Amount (\$m)^(c)							
1992–93	2,113	2,447	22	4,582	934	1,609	2,542	7,125
1993–94	2,494	2,469	46	5,008	990	1,728	2,718	7,726
1994–95	2,892	2,551	99	5,542	995	1,818	2,813	8,355
1995–96	3,074	2,737	157	5,968	1,039	2,062	3,100	9,069
1996–97	3,264	3,147	121	6,531	1,143	2,284	3,427	9,958
1997–98	3,273	3,593	219	7,084	1,229	2,561	3,790	10,874
<i>Break in time series</i>								
1998–99	3,771	4,299	229	8,299	1,368	2,216	3,585	11,883
1999–00	4,042	4,727	235	9,004	1,550	2,519	4,070	13,073
2000–01	4,329	5,032	212	9,573	1,578	2,539	4,117	13,690
	Proportion (%)							
1992–93	29.7	34.3	0.3	64.3	13.1	22.6	35.7	100.0
1993–94	32.3	32.0	0.6	64.8	12.8	22.4	35.2	100.0
1994–95	34.6	30.5	1.2	66.3	11.9	21.8	33.7	100.0
1995–96	33.9	30.2	1.7	65.8	11.5	22.7	34.2	100.0
1996–97	32.8	31.6	1.2	65.6	11.5	22.9	34.4	100.0
1997–98	30.1	33.0	2.0	65.1	11.3	23.6	34.9	100.0
<i>Break in time series</i>								
1998–99	31.7	36.2	1.9	69.8	11.5	18.6	30.2	100.0
1999–00	30.9	36.2	1.8	68.9	11.9	19.3	31.1	100.0
2000–01	31.6	36.8	1.5	69.9	11.5	18.5	30.1	100.0
	Average proportion (%)							
1992–93 to 1997–98	32.2	31.9	1.3	65.4	11.9	22.7	34.6	100.0
1998–99 to 2000–01	31.4	36.4	1.7	69.5	11.6	18.8	30.5	100.0

(a) Government expenditure data includes subsidies and personal benefits such as child care rebates, which are not included in GFCE. The figures here are therefore different from those published in ABS 2000b.

(b) Households contribution in the form of client fees to NGCSOs is generally obtained in the process of estimating NGCSOs' contribution. Client fees for government services are obtained from CGC and ABS public finance.

(c) In current prices.

Note: Totals may not add due to rounding.

Sources: AIHW 2003a and AIHW Welfare expenditure database.

From 1998–99, government and non-government funding grew, in real terms, at annual average rates of 5.3% and 5.1%, respectively. Rapid growth in welfare services expenditure occurred between 1998–99 and 1999–00 (9.1%). This was a result of strong growth in both non-government funding (12.7%) and government funding (7.6%). In the latest year, from 1999–00 to 2000–01, though increasing in nominal terms in both sectors, total welfare services expenditure in real terms grew at a lower rate (1.4%), attributable to a 3.0% growth in government funding and a decline in funding by the non-government sector of 2.1% (Figure 4.2, Table 4.6).

Government sector

The increase in the government sector’s share of funding was largely the result of an increase in the proportion met by the state and territory governments. Their share of funding, which averaged 31.9% between 1992–93 and 1997–98—with a low of 30.2% in 1995–96 and a high of 34.3% in 1992–93—rose to an average of 36.4% in the period 1998–99 to 2000–01 (Table 4.5).

Although the Commonwealth Government’s share of funding had reached as high as 34.6% (1994–95) in the earlier period, its average over that period was 32.2% and from 1998–99 its share fell slightly to an average of 31.4%. The share of Commonwealth funding was higher than that of state and territory governments between 1993–94 and 1996–97, after which funding by state and territory governments was higher. The areas where slower growth in Commonwealth funding compared with state and territory funding, occurred were family and child welfare services, and other welfare services (Table A4.2).

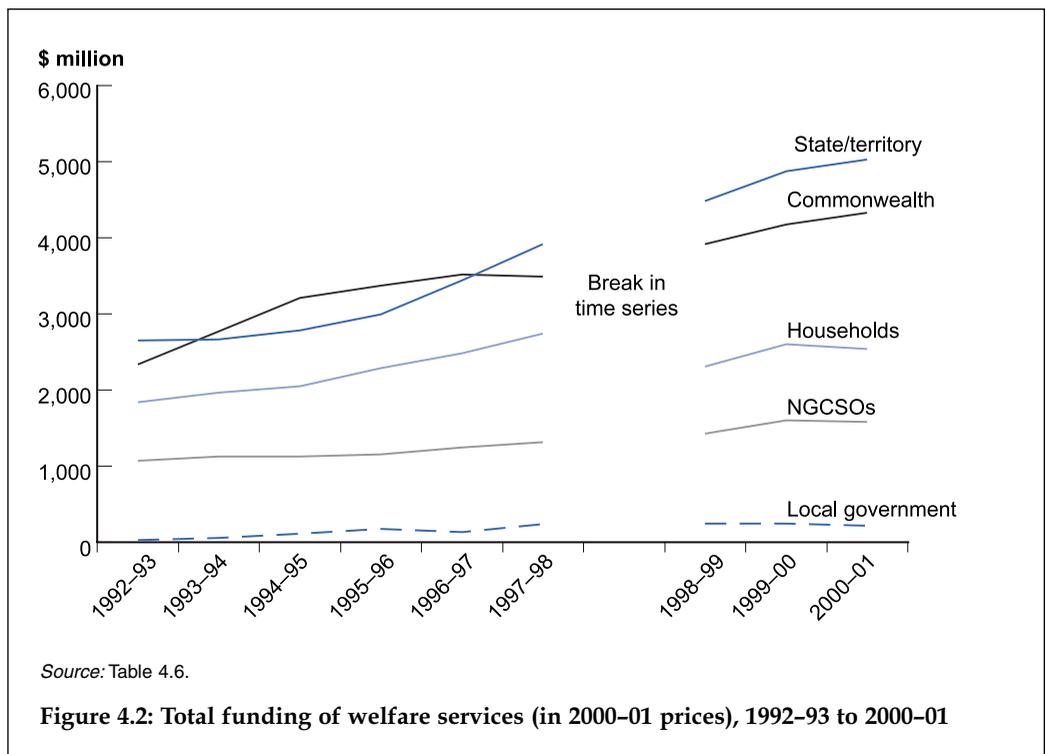


Table 4.6: Growth rates in funding of welfare services, 1992–93 to 2000–01

	Government sources ^(a)				Non-government sources			Total expenditure
	Commonwealth	State/ territory	Local	Total	NGCSOs	Households ^(b)	Total	
	Amount (\$m)^(c)							
1992–93	2,337	2,647	25	5,008	1,067	1,838	2,905	7,914
1993–94	2,771	2,666	51	5,488	1,125	1,962	3,087	8,574
1994–95	3,212	2,782	110	6,103	1,122	2,051	3,174	9,277
1995–96	3,373	2,991	173	6,537	1,152	2,286	3,438	9,975
1996–97	3,515	3,438	131	7,083	1,242	2,482	3,724	10,807
1997–98	3,488	3,918	234	7,640	1,315	2,739	4,054	11,694
<i>Break in time series</i>								
1998–99	3,915	4,482	242	8,639	1,424	2,306	3,730	12,369
1999–00	4,174	4,877	243	9,294	1,602	2,603	4,205	13,500
2000–01	4,329	5,032	212	9,573	1,578	2,539	4,117	13,690
	Growth rate (%)							
1992–93 to 1993–94	18.6	0.7	104.3	9.6	5.4	6.7	6.2	8.4
1993–94 to 1994–95	15.9	4.3	116.1	11.2	–0.2	4.5	2.8	8.2
1994–95 to 1995–96	5.0	7.5	56.9	7.1	2.6	11.5	8.3	7.5
1995–96 to 1996–97	4.2	14.9	–24.2	8.4	7.9	8.5	8.3	8.3
1996–97 to 1997–98	–0.8	14.0	78.6	7.9	5.8	10.4	8.9	8.2
<i>Break in time series</i>								
1998–99 to 1999–00	6.6	8.8	0.5	7.6	12.5	12.9	12.7	9.1
1999–00 to 2000–01	3.7	3.2	–12.9	3.0	–1.5	–2.5	–2.1	1.4
	Average annual growth rate (%)							
1992–93 to 1997–98	8.3	8.2	56.5	8.8	4.3	8.3	6.9	8.1
1998–99 to 2000–01	5.1	6.0	–6.4	5.3	5.3	4.9	5.1	5.2

(a) Government expenditure data includes subsidies and personal benefits such as child care rebates, which are not included in GFCE. The figures here are therefore different from those published in ABS 2000b.

(b) Households contribution in the form of client fees to NGCSOs is generally obtained in the process of estimating NGCSOs' contribution. Client fees for government services are obtained from CGC and ABS public finance.

(c) In 2000–01 prices.

Note: Totals may not add due to rounding.

Sources: AIHW 2003a and AIHW Welfare expenditure database.

Local governments also provided a small proportion of the funding for welfare services expenditure—the average increased from 1.3% between 1992–93 and 1997–98, rising to 1.7% between 1998–99 and 2000–01.

Recurrent funding by Commonwealth and state and territory governments across broad welfare services areas

This section looks at the recurrent funding of welfare services (i.e. not including outlays on capital) by the Commonwealth and the state and territory governments, which in 2000–01 was \$9.2 billion and represented 67.2% of total funding.

Of the \$9.2 billion, the state and territory governments provided almost \$5.0 billion and the Commonwealth just under \$4.3 billion (Table 4.7).

Table 4.7: Recurrent funding of welfare services by the Commonwealth and by state and territory governments, 1992–93 to 2000–01 (current prices)

	Commonwealth		State/territory		Total	
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)
1992–93	1,893	46.2	2,208	53.8	4,100	100.0
1993–94	2,311	50.1	2,299	49.9	4,611	100.0
1994–95	2,724	52.0	2,517	48.0	5,241	100.0
1995–96	2,937	52.2	2,691	47.8	5,628	100.0
1996–97	3,098	50.2	3,071	49.8	6,168	100.0
1997–98	3,187	47.4	3,531	52.6	6,718	100.0
<i>Break in time series^(a)</i>						
1998–99	3,672	46.3	4,254	53.7	7,925	100.0
1999–00	3,988	46.0	4,676	54.0	8,664	100.0
2000–01	4,253	46.1	4,965	53.9	9,218	100.0

(a) See Box 4.2 for details.

Sources: Commonwealth—compiled from DHHCS 1991, 1992; DHHLGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHAC 1999, 2000, DoHA 2001, 2002; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Immigration and Ethnic Affairs unpublished data; Department of Veterans' Affairs unpublished data. State/territory—Recurrent expenditure—CGC 2002, CGC unpublished data.

In all the years from 1997–98 to 2000–01, overall recurrent funding of welfare services by the state and territory governments exceeded that provided by the Commonwealth (Figure 4.3). Before 1997–98, with the exception of 1992–93, funding by the Commonwealth had been consistently higher than funding by states and territories.

Except for welfare services for older people, the average level of funding provided by the state and territory governments was greater than that provided by the Commonwealth throughout the entire period under review (Tables 4.8, 4.9, 4.10, 4.11).

In 2000–01, total government funding of welfare services for families and children was \$3.1 billion (Table 4.8). Of this amount, the states and territories accounted for 54%, and the Commonwealth 46%. During the period 1992–93 to 1997–98 funding for these services was shared about equally by the Commonwealth Government and state and territory governments. Since then, however, the state and territory share has risen and the Commonwealth share fallen.

In 2000–01, total government funding of welfare services for older people was \$2.3 billion (Table 4.9). Of this amount, 69% was by the Commonwealth and 31% by the states and territories. Historically, the Commonwealth has consistently spent more than the states and territories on these services. From 1992–93 to 1997–98, its share of government funding averaged 61.4%. This increased to an average of 69.2% over the period 1998–99 to 2000–01.

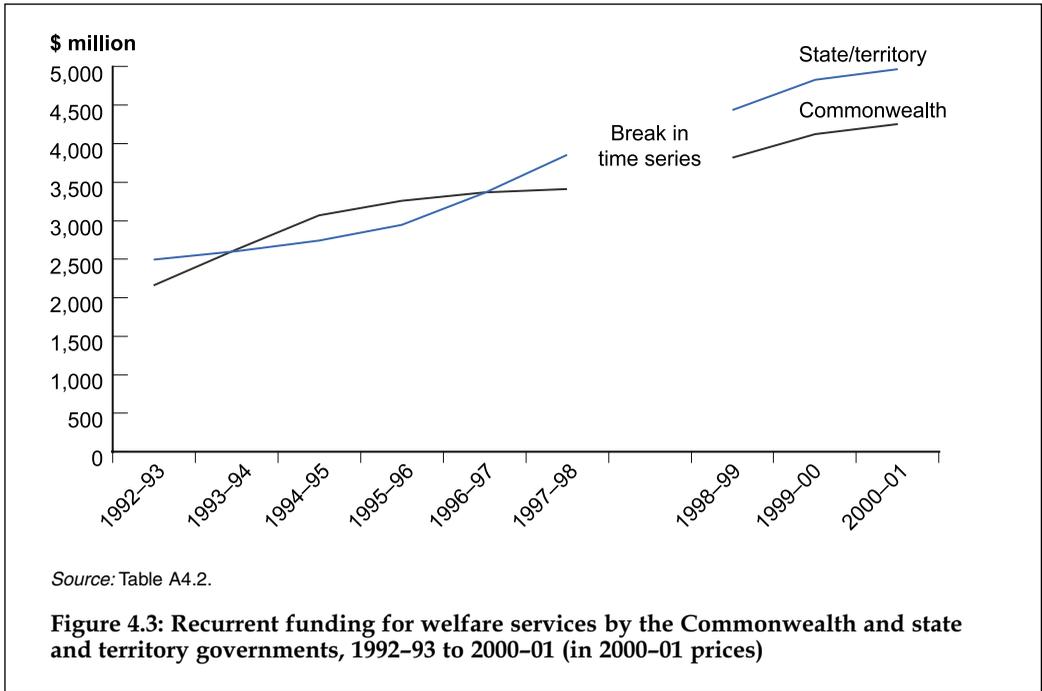


Table 4.8: Recurrent government funding of welfare services for families and children, 1992-93 to 2000-01 (current prices)

	Commonwealth		State/territory		Total (\$m)
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	
1992-93	612	44.2	772	55.8	1,384
1993-94	759	48.2	814	51.8	1,573
1994-95	953	52.2	872	47.8	1,825
1995-96	1,088	52.5	986	47.5	2,074
1996-97	1,161	52.6	1,045	47.4	2,206
1997-98	1,089	49.1	1,129	50.9	2,219
<i>Break in time series^(a)</i>					
1998-99	1,172	44.3	1,474	55.7	2,646
1999-00	1,438	47.1	1,615	52.9	3,053
2000-01	1,405	45.6	1,679	54.4	3,085
Average proportions					
1992-93 to 1997-98		50.2		49.8	
1998-99 to 2000-01		45.7		54.3	

(a) See Box 4.2 for details.

Sources: Commonwealth—compiled from DHHCS 1991, 1992; DHHLGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Immigration and Ethnic Affairs unpublished data; Department of Veterans' Affairs unpublished data. State/territory—Recurrent expenditure—CGC 2002, CGC unpublished data.

Table 4.9: Recurrent government funding of welfare services for older people, 1992–93 to 2000–01 (current prices)

	Commonwealth ^(a)		State/territory		Total
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	
1992–93	587	58.6	414	41.4	1,001
1993–94	801	69.3	354	30.7	1,155
1994–95	911	65.4	482	34.6	1,394
1995–96	917	62.7	545	37.3	1,462
1996–97	1,024	58.5	725	41.5	1,749
1997–98	1,172	56.9	888	43.1	2,060
<i>Break in time series^(b)</i>					
1998–99	1,418	69.3	629	30.7	2,047
1999–00	1,424	68.2	665	31.8	2,089
2000–01	1,615	69.9	694	30.0	2,308
Average proportions					
1992–93 to 1997–98		61.4		38.6	
1998–99 to 2000–01		69.2		30.8	

(a) Not included are high-level residential care and Extended Aged Care at Home (EACH). In 2000–01, high-level residential care was estimated at \$2.7 billion, and EACH at \$8.4 million.

(b) See Box 4.2. for details.

Sources: Commonwealth—compiled from DHHCS 1991, 1992; DHHLGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHAC 1999, 2000, DoHA 2001, 2002; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Veterans' Affairs unpublished data. State/territory—Recurrent expenditure—CGC 2002, CGC unpublished data.

Table 4.10: Recurrent government funding of welfare services for people with disabilities, 1992–93 to 2000–01 (current prices)

	Commonwealth		State/territory		Total
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	
1992–93	548	40.2	814	59.8	1,362
1993–94	596	39.3	919	60.7	1,516
1994–95	698	44.1	864	54.6	1,583
1995–96	729	45.1	887	54.9	1,616
1996–97	728	42.0	1,005	58.0	1,733
1997–98	744	38.9	1,167	61.1	1,911
<i>Break in time series^(a)</i>					
1998–99	906	35.8	1,628	64.2	2,534
1999–00	915	33.6	1,809	66.4	2,723
2000–01	1,017	33.8	1,991	66.2	3,008
Average proportions					
1992–93 to 1997–98		41.6		58.2	
1998–99 to 2000–01		34.3		65.7	

(a) See Box 4.2 for details.

Sources: Commonwealth—compiled from DHHCS 1991, 1992; DHHLGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; DHAC 1999, 2000, DoHA 2001, 2002; DHRD 1994, 1995; Department of Veterans' Affairs unpublished data. State/territory—Recurrent expenditure—CGC 2002, CGC unpublished data.

In 2000–01, recurrent government funding of welfare services for people with disabilities was \$3.0 billion (Table 4.10). Of this amount, state and territory governments funded 66%, and the Commonwealth Government 34%.

Since 1992–93, the state and territory governments have consistently provided higher levels of funding for these services because of the Commonwealth/State Disability Agreement. Between 1992–93 and 1997–98, their share of funding had averaged 58.2% and from 1998–99 to 2000–01 it was 65.7%. Details of service types can be found in Chapter 8.

Other welfare services (not elsewhere classified) relate to those that are not specifically targeted at one or more of the defined classes of welfare service recipients (i.e. older people, people with disabilities, and families and children). These include services for Aboriginal and Torres Strait Islander people; services for women who have been subjected to domestic violence; prisoners' aid; care of refugees; homeless persons' assistance; premarital education; and information, advice (financial and other), referral and crisis support services.

In 2000–01, recurrent government expenditure on these welfare services totalled \$0.8 billion. Of this amount, state and territory governments funded 74%, and the Commonwealth Government 26%.

Between 1992–93 to 1997–98, state and territory governments accounted for, on average, 61.0% of the combined expenditure by the two levels of governments. This increased to 73.9% in the period 1998–99 to 2000–01 (Table 4.11).

Table 4.11: Recurrent government funding of other welfare services, 1992–93 to 2000–01 (current prices)

	Commonwealth		State/territory		Total
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	
1992–93	147	41.4	207	58.6	354
1993–94	156	42.4	211	57.6	367
1994–95	162	36.7	278	63.3	440
1995–96	202	42.6	273	57.4	475
1996–97	185	38.4	295	61.5	480
1997–98	182	34.4	347	65.6	529
<i>Break in time series^(a)</i>					
1998–99	176	25.2	522	74.8	698
1999–00	211	26.4	588	73.6	799
2000–01	217	26.5	601	73.5	818
Average proportions					
1992–93 to 1997–98		39.0		61.0	
1998–99 to 2000–01		26.1		73.9	

(a) See Box 4.2 for details.

Sources: Commonwealth—compiled from DHHCS 1991, 1992; DHHLGCS 1993; DHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Immigration and Ethnic Affairs unpublished data; State/territory—Recurrent expenditure—CGC 2002, CGC unpublished data.

Table 4.12: Recurrent funding of welfare services by the Commonwealth Government, 1992–93 to 2000–01 (current prices)

	Welfare services category								Total (\$m)
	Families and children		Older people		People with disabilities		Other welfare services (nec)		
	Amount (\$m)	Prop (%)	Amount (\$m)	Prop (%)	Amount (\$m)	Prop (%)	Amount (\$m)	Prop (%)	
1992–93	612	32.3	587	31.0	548	29.0	147	7.7	1,893
1993–94	759	32.8	801	34.6	596	25.8	156	6.7	2,311
1994–95	953	35.0	911	33.5	698	25.6	162	5.9	2,724
1995–96	1,088	37.1	917	31.2	729	24.8	202	6.9	2,937
1996–97	1,161	37.5	1,024	33.0	728	23.5	185	6.0	3,098
1997–98	1,089	34.2	1,172	36.8	744	23.3	182	5.7	3,187
<i>Break in time series^(a)</i>									
1998–99	1,172	31.9	1,418	38.6	906	24.7	176	4.8	3,672
1999–00	1,438	36.1	1,424	35.7	915	22.9	211	5.3	3,988
2000–01	1,405	33.0	1,615	38.0	1,017	23.9	217	5.1	4,253
Average proportions									
1992–93 to 1997–98	35.1		33.5		25.0		6.4		
1998–99 to 2000–01	33.7		37.4		23.8		5.1		

(a) See Box 4.2 for details.

Sources: Compiled from DHHCS 1991, 1992; DHHLGCS 1993; DSHS 1995a, 1995b; DHFS 1996, 1997, 1998; DHAC 1999, 2000, DoHA 2001, 2002; DHRD 1994, 1995; FaCS 1999, 2000, 2001, 2002; Department of Immigration and Ethnic Affairs unpublished data; Department of Veterans' Affairs unpublished data.

Commonwealth funding

More than two-thirds of the Commonwealth's total recurrent funding went to two welfare service category areas – services for families and children, and services for older people (Table 4.12). From 1992–93 to 1997–98, an average of 35.1% of its funding was spent on welfare services for families and children. After 1998–99, this reduced slightly, to 33.7%. Funding of services for people aged 65 and over, on the other hand, represented a higher proportion of the Commonwealth total funding (37.4%) from 1998–99 to 2000–01 than it had before 1998–99, when it averaged 33.5%.

Funding of welfare services for people with disabilities (recipients of welfare services who are under 65 years old) and other welfare services (nec) both represented lower shares (23.8% and 5.1%, respectively) of total Commonwealth funding after 1997–98 than they had up to 1997–98 (25.0% and 6.4%, respectively). Welfare services for older people accounted for over one-third and expenditure on welfare services for people with a disability for about a quarter in both periods.

State and territory funding

State and territory governments provided a total of \$4,965 million in funding of welfare services in 2000–01 (Table 4.13). Of this, \$1,991 million, or 40.1%, was on services for people with disabilities and \$1,679 million (33.8%) on services for families and children. The remainder was split between services for older people (14.0%) and other welfare services (not elsewhere classified) (12.1%).

Table 4.13: Recurrent funding of welfare services by state/territory governments, 1992–93 to 2000–01 (current prices)

	Welfare services category								
	Families and children		Older people		People with disabilities		Other welfare services (nec)		
	Amount (\$m)	Prop (%).	Amount (\$m)	Prop (%).	Amount (\$m)	Prop (%).	Amount (\$m)	Prop (%).	
1992–93	772	35.0	414	18.8	814	36.9	207	9.4	2,207
1993–94	814	35.4	354	15.4	919	40.0	211	9.2	2,299
1994–95	872	34.9	482	19.3	864	34.6	278	11.1	2,497
1995–96	986	36.6	545	20.3	887	33.0	273	10.1	2,691
1996–97	1,045	34.0	725	23.6	1,005	32.7	295	9.6	3,071
1997–98	1,129	32.0	888	25.1	1,167	33.0	347	9.8	3,531
<i>Break in time series^(a)</i>									
1998–99	1,474	34.7	629	14.8	1,628	38.3	522	12.3	4,254
1999–00	1,615	34.5	665	14.2	1,809	38.7	588	12.6	4,676
2000–01	1,679	33.8	694	14.0	1,991	40.1	601	12.1	4,965
Average proportions									
1992–93 to 1997–98	34.5		20.9		34.7		9.9		
1998–99 to 2000–01	34.3		14.3		39.1		12.3		

(a) See Box 4.2 for details.

Sources: CGC 2002, CGC unpublished data.

Over the period from 1998–99 to 2000–01, funding for recurrent expenditure on services for people with disabilities averaged 39.1%, ranging from 38.3% in 1998–99 to 40.1% in 2000–01. Funding of these services had, prior to 1998–99, taken up 34.7% of recurrent funding by state and territory governments.

Funding of services for families and children remained relatively stable over the whole period. It averaged 34.5% between 1992–93 and 1997–98, and 34.3% between 1998–99 and 2000–01.

The area where the largest movements in funding occurred was in services for older people. Funding of these services, which had accounted for, on average, 20.9% of funding for welfare services between 1992–93 and 1997–98, averaged 14.3% in the years after 1997–98.

Non-government sector

Most of the non-government sourced funding was in the form of fees paid by households for services. These represented, on average, 22.7% of total funding for welfare services between 1992–93 and 1997–98 and an average of 18.8% from 1998–99 to 2000–01. The other non-government funding source – NGCSOs – provided, on average, just under 12.0% of all funding for welfare services each year from 1994–95 (Table 4.5).

All funding provided by NGCSOs is attributed, in this analysis, to services that they provide. As mentioned earlier, expenditure incurred by NGCSOs was about half of national expenditure on welfare services (see Table 4.3). Their own funding accounted for just under a quarter of that total NGCSO expenditure (Table 4.14).

Table 4.14: Funding sources of welfare services provided by NGCSOs, 1992–93 to 2000–01 (current prices)

	Governments ^(a)	NGCSOs ^(b)	Client fees	Total NGCSO expenditure on welfare services
	Amount (\$m)			
1992–93 ^(c)	1,846	934	1,153	3,933
1993–94 ^(c)	2,074	990	1,270	4,334
1994–95 ^(c)	1,973	995	1,338	4,306
1995–96 ^(c)	2,305	1,039	1,608	4,952
1996–97 ^(c)	2,552	1,143	1,831	5,526
1997–98 ^(c)	2,895	1,229	2,103	6,227
<i>Break in time series</i>				
1998–99	2,805	1,368	1,482	5,656
1999–00	2,951	1,550	1,833	6,335
2000–01	3,383	1,578	1,969	6,931
	Proportion (%)			
1992–93 ^(c)	46.9	23.7	29.3	100.0
1993–94 ^(c)	47.9	22.8	29.3	100.0
1994–95 ^(c)	45.8	23.1	31.1	100.0
1995–96 ^(c)	46.5	21.0	32.5	100.0
1996–97 ^(c)	46.2	20.7	33.1	100.0
1997–98	46.5	19.7	33.8	100.0
<i>Break in time series</i>				
1998–99	49.6	24.2	26.2	100.0
1999–00	46.6	24.5	28.9	100.0
2000–01	48.8	22.8	28.4	100.0

(a) Includes Commonwealth government grants to providers of child care services.

(b) Includes revenue from fund-raising and from business undertakings, such as opportunity shops and sheltered workshops.

(c) Estimates of total expenditure on welfare services by NGCSOs for these years are based on NGCSO income as the recurrent expenditure of these organisations is almost the same as their recurrent income (Industry Commission 1995:C16).

Sources: Child care fees—estimated by AIHW from ABS 1997, 2000a; Government funding—ABS unpublished data and DHFS, DHAC and DFACS unpublished data; NGCSO funding—estimated by AIHW.

Box 4.5: Households sector

The households sector comprises all resident households which are small groups of people who share accommodation, pool some or all of their income and wealth, and collectively consume goods and services. They are primarily consumers of goods and services but also are producers of services in the form of unincorporated enterprises (ABS 2000b:59).

As consumers of services, they are 'funders' when they pay fees for these services. This funding is well defined in respect of services provided by NGCSOs and governments. However, many services are provided within households as well as to other households as 'informal services', some of which also attract fees. The only client fees data available for these informal services, however, are in respect of child care services. It is possible that informal care provided to older people and people with disabilities may also attract fees, but these are not captured in the reported expenditure data.

Table 4.15: Client fees for welfare services, 1998–99 to 2000–01 (current prices)

Year	Providers of services			Total
	Governments	NGCSOs	Households— informal	
	Amount (\$m)			
1998–99	528	1,482	207	2,216
1999–00	482	1,833	205	2,519
2000–01	369	1,969	201	2,539
	Proportion (%)			
1998–99	23.8	66.9	9.3	100.0
1999–00	19.1	72.7	8.1	100.0
2000–01	14.5	77.6	7.9	100.0
3-year average	18.9	72.6	8.4	100.0

Sources: Government services—ABS public finance unpublished data; NGCSO services—estimated by AIHW based on a sample of NGCSO financial statements; Households—estimated by AIHW from ABS 1997, 2000a.

Most of the fees paid by clients was in respect of services provided by NGCSOs. In 2000–01, they attracted 77.6% of all client fees, up from 66.9% in 1998–99 (Table 4.15).

On the other hand, the proportions of client fees that were used to fund expenditure incurred by both governments and households (informal child care services) declined steadily over the period.

Government-provided services, which accounted for 23.8% of all client fee funding in 1998–99, fell to 14.5% in 2000–01 (from \$528 million to \$369 million). This reflects a move in client-funded usage towards services provided by NGCSOs and away from those provided by government agencies, a consequence of the government sector’s out-sourcing policies. An example of this is in home and community care (HACC) packages, which are provided by NGCSOs, local government and state and territory government agencies. From 1994–95 to 1997–98 (the last year where statistics are available by organisation type), expenditure by NGCSOs rose consistently. In 1994–95, services provided by NGCSOs accounted for 43% of the total expenditure. In 1997–98, it was 53% (DHAC 1995, 1996, 1997, 1998).

The proportion of client fees attributable to informal child care, for example, fell from 9.3% (\$207 million) in 1998–99 to 7.9% (\$201 million) in 2000–01, as a higher proportion of the informal care was provided by grandparents at no cost.

International comparisons

This part of the chapter attempts to place Australia’s spending on welfare services within an international context. It does this by comparing data obtained from the OECD’s social expenditure database showing government expenditure reported by nine developed economies within the OECD – including Australia. The countries whose data are compared with Australia’s are Canada, France, Germany, Japan, New Zealand, Sweden, the United States and the United Kingdom.

Table 4.16: Comparison of government expenditure on welfare services by selected OECD countries, 1992, 1995, 1998

	OECD financial year					
	1992		1995		1998	
	% of GDP	Rank order	% of GDP	Rank order	% of GDP	Rank order
Australia ^(a)	1.08	5	1.19	5	1.40	5
Canada	1.17	3	1.00	6	2.42	2
France	1.11	4	1.91	2	1.90	3
Germany	1.34	2	1.46	3	1.61	4
Japan	0.27	8	0.33	8	0.57	8
New Zealand	0.21	9	0.11	9	0.10	9
Sweden	5.88	1	5.08	1	5.53	1
United Kingdom	1.06	6	1.27	4	1.30	6
United States of America	0.74	7	0.74	7	0.58	7
Mean^(b)	1.43		1.45		1.71	

(a) There is a discontinuity for Australia between 1995 and 1998.

(b) Unweighted mean.

Sources: Australia—AIHW welfare services expenditure database; other countries—OECD unpublished data.

The OECD data show that levels of spending on welfare services as a proportion of GDP by selected countries with relatively similar economic profiles varied, ranging in 1998 from 0.1 per cent for New Zealand to 5.5 per cent for Sweden. Many factors impact on such intercountry comparisons, not the least of which is the fact that the OECD data include only expenditure by governments. They do not, therefore, make allowances for possible differences in levels of involvement of the non-government sector in funding welfare services. Other differences identified by the OECD as contributing to the range of results include:

- country-specific classifications and reporting of expenditure on welfare services;
- social welfare policies;
- demographic structure; and
- cultural differences in the provision of social welfare.

In 1998, the latest year for which internationally comparative data are available, the nine selected OECD countries including Australia spent an average of 1.7% of GDP on government-funded welfare services. Australia was the fifth highest of the nine (Table 4.16). In both 1992 and 1998, Sweden was consistently the highest spender at 5.9% and 5.5% respectively. At the other end of the scale, New Zealand reported expenditure of 0.2% and 0.1%.

4.4 Tax expenditures

Tax expenditures are tax concessions such as exemptions, deductions, rebates, reduced tax rates and deferral of tax liability. The tax deductibility of donations to NGCSOs is an example of a tax expenditure in the community services sector. Tax expenditures are measured in terms of the amount of tax revenue forgone by government as a result of concessional taxation treatment (for more detail, see AIHW 1997:35–8).

For NGCSOs, tax expenditures are a significant form of assistance, accounting for 6.1% of total expenditure in 2000–01 (Table 4.17).

Prior to the 2000 taxation reforms, many NGCSOs were exempt from wholesale sales tax, which had been a growing form of imputed tax expenditure flowing to them. The replacement of the wholesale sales tax with a broad-based goods and service tax (GST) meant that this particular form of imputed tax expenditure no longer applied after 1999–00. Under the new tax regime, NGCSOs can register with the Australian Taxation Office and claim back the GST they paid on inputs used in providing services. While this effectively exempts their services from the GST, this is not classified by Treasury as a tax expenditure and this different treatment of the GST, compared with the wholesale sales tax, has led to a break in the tax expenditure time series.

Estimated total revenue forgone from tax expenditures in the community services sector increased from \$323 million in 1993–94 to \$836 million in 2000–01. These are likely to be underestimates as many potential tax expenditures in this area are not costed due to a lack of data and difficulties in choosing a suitable tax benchmark (see AIHW 1999:28–9 for more details).

Table 4.17: Estimates of tax expenditures^(a) in respect of NGCSOs, 1993–94 to 2000–01^(b)
(\$m in current prices)

	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01
Tax deductibility for donations to benevolent institutions	73	73	69	88	86	120	123	135
Commonwealth tax exemptions on inputs								
Fringe benefits tax	30	70	75	150	180	190	210	240
Wholesale sales tax (WST)	120	119	137	153	172	207	231	— ^(c)
State/ territory tax exemptions on inputs								
Payroll tax	80	79	91	102	115	138	154	168
Land tax	40	40	46	51	57	69	77	84
Stamp duty and bank taxes	100	99	114	127	144	172	193	210
<i>Total government input tax exemptions excluding WST</i>	<i>250</i>	<i>408</i>	<i>463</i>	<i>583</i>	<i>668</i>	<i>568</i>	<i>634</i>	<i>701</i>
Total tax expenditure excluding wholesale sales tax	323	481	533	672	754	689	757	836
Total welfare services expenditure	7,726	8,355	9,069	9,958	10,874	11,883	13,073	13,690
Tax expenditure as a proportion of total expenditure (%)	4.2	5.8	5.9	6.7	6.9	5.8	5.8	6.1

(a) Tax expenditures are recorded against the year in which the liability was incurred, not the year the expenditure is paid.

(b) 1994–95 to 2000–01 figures are AIHW estimates, except for the FBT exemption which was provided by Treasury.

(c) This form of taxation was abolished from 1 July 2000, following the introduction of the 'New Business Tax System' by the Commonwealth Government.

Note: Totals may not add due to rounding.

Sources: AIHW 2003a; Industry Commission 1995; Treasury 1997, 1999, 2001, 2002; AIHW welfare services expenditure database.

Real growth in tax expenditure over the 8-year period averaged 12.6% per year. The fringe benefits tax exemption had the highest real growth of all tax expenditures, with revenue forgone increasing by 29.7% per year between 1993–94 and 2000–01. This suggests a growing reliance of the sector on fringe benefits as part of employee remuneration.

The revenue forgone from government input tax exemptions made up the bulk of revenue forgone from all tax expenditures in the sector, averaging 84.8% of the total over the 8-year period.

4.5 Human resources in welfare services

Human resources in community services comprise people employed in community services (that is, those who work on a paid basis), as well as two types of unpaid workers: volunteers who work for community service organisations; and unpaid time used in households to provide welfare services.

According to the ABS Census, in 2001 there were 237,056 people in Australia who were employed in 29 community services occupations (those that provide direct services). However, not all people in these occupations work in community services industries. For example, preschool teachers (a community services occupation) work predominantly in the education industry. Moreover, the community services industries also comprise some other occupations that provide managerial and infrastructure support for the delivery of these services rather than directly provide them. Figure 4.4 illustrates the way in which community services occupations and industries overlap.

	Community services industries	Other industries	Total
Community services occupations	111,836 persons employed in community services occupations in community service industries e.g. children's care workers in child care services industry	125,220 persons employed in community services occupations in other industries e.g. counsellors in education industry	237,056 (195,313 FTE)
Other occupations	89,548 persons employed in other occupations in community services industries e.g. managers, accountants and auditors, tradespersons, and computing professionals who support community services industries		
Total	201,384		

Source: AIHW & ABS 2003.

Figure 4.4: The relationship of community services occupations to community services and other industries, Australia, 2001

Because many workers in community services occupations are employed part-time (50.6% in 2001, see Table 4.19), it is also useful to know the extent of provision of these services in terms of their equivalent full-time workforce. This can be estimated for some of these workers from the ABS Labour Force Survey and the Community Services Industry Survey. From these surveys it can be estimated that, in 2000–01, there were 195,313 FTE workers employed in occupations that provided, or supported the provision of, community services in Australia. These included 179,240 FTE who were in community services industries (that is, all of the occupations shown in the community services industry boxes in Figure 4.4), but only a portion of those employed in other industries (9,931 FTE who were employed by governments in occupations that supported the provision of services and a further 6,142 FTE who were in various other industries). There is no source of data from which the full-time equivalent of the approximately 125,000 people who provide community services in the remaining industries can be estimated (Table 4.18).

The paid labour force accounts for only a fraction of total time spent providing welfare services, however—by far the largest contribution comes from the 7.4 million households in Australia in 2001 (ABS 2003b) many of whom directly care for relatives and friends or indirectly assist other members of the community in need of care through charitable organisations. Based on data from the ABS Time Use survey 1997 it can be estimated that in 2000–01 these households provided 1.8 billion hours in informal welfare services, which is equivalent to a full-time workforce of just under 1 million people (see Table 4.23). A small fraction of this workforce can be attributed to volunteers in community and welfare organisations. The ABS Survey of Voluntary Work shows there were almost 1.3 million people in 2000 who contributed 181.1 million hours of voluntary work for community and welfare organisations in Australia, which was equivalent to approximately 100,000 full-time workers (ABS 2001d).

Paid work

The main focus of this section will be on community services occupations (outlined by the dark box in Figure 4.4), as these workers make up the community services workforce employed in the actual delivery of welfare services.

People employed in community services occupations

In 2001, just under half (47.2%) of all workers employed in community services occupations worked in community services industries (Table 4.18). These industries comprise two broad groups: child care services and community care services (which includes accommodation for the aged, residential and non-residential services, and other undefined community and community care services).

In 2001, 83.8% of workers in community services occupations were female, and half of all workers (50.6%) worked part-time (Table 4.19). Child and youth services workers were predominantly female (93.4%) and were generally younger than other community services workers, with 26.2% aged 45 or over. The highest proportion of workers who were Indigenous were in family services occupations (5.8%). Aged or disabled care workers were the oldest, with 50.1% aged 45 or over, and 70% worked part-time. Other community services workers (social security inspectors and social and community workers) were the least likely to work part-time (29.1%).

Table 4.18: Persons employed in community services occupation groups, by industry, 2001

Industry	Child and youth services workers	Family services workers	Disability workers	Aged or disabled care workers	Other community services workers	Total
Community services industries						
Child care services	51,013	250	92	228	827	52,410
Community care services						
Accommodation for the aged	23	37	38	3,614	303	4,015
Residential care services, nfd	1,698	992	2,603	4,984	1,547	11,824
Non-residential care services, nec	2,466	4,485	2,878	19,938	7,416	37,183
Community services, nfd	725	527	276	1,171	1,724	4,423
Community care services, nfd	139	138	222	1,127	355	1,981
<i>Total community services</i>	<i>56,064</i>	<i>6,429</i>	<i>6,109</i>	<i>31,062</i>	<i>12,172</i>	<i>111,836</i>
Other industries						
Health & community services, nfd	481	372	340	5,877	1,264	8,334
Government administration	2,051	2,329	1,207	2,141	13,859	21,587
Defence	14	10	6	6	51	87
Education	31,119	208	21,030	513	1,191	54,061
Nursing homes	31	45	87	4,281	412	4,856
Hospitals ^(a)	194	287	78	561	2,403	3,523
Community health centres	209	257	131	643	1,584	2,824
Other health industries ^(b)	437	478	377	2,170	2,561	6,023
Other industries (incl. not stated)	11,072	1,263	1,530	4,538	5,493	23,896
<i>Total other industries</i>	<i>45,637</i>	<i>5,249</i>	<i>24,786</i>	<i>20,730</i>	<i>28,818</i>	<i>125,220</i>
Total	101,701	11,678	30,895	51,792	40,990	237,056

(a) Includes psychiatric hospitals, and hospitals and nursing homes not further defined.

(b) Includes Health services not further defined.

Source: AIHW & ABS 2003.

Table 4.19: Persons employed in community services occupations: selected characteristics, 2001

Occupation	% aged 45+	% part-time	% female	% Indi-genous	Number
Child and youth services	26.2	49.7	93.4	2.2	101,701
Family services	42.9	40.1	76.9	5.8	11,678
Disability services	43.7	53.7	84.8	1.2	30,895
Aged or disabled care	50.1	70.0	84.8	2.0	51,792
Other community services	38.7	29.1	86.5	4.8	40,990
Total	36.7	50.6	83.8	2.7	237,056

Source: AIHW & ABS 2003.

The 2001 Census of Population and Housing showed that in general, people employed in community services occupations had relatively low incomes, with only 15.9% overall receiving \$41,600 or more per year, compared with 39.6% of people employed in health occupations. This ranged from 36.9% of community and social workers to 8.5% of child and youth services workers (mainly pre-primary teachers) and 3.6% of aged or disabled person carers (AIHW & ABS 2003). (Income reported includes money received from earnings and other sources, such as annuities, dividends and interest, and welfare payments, and is used as a proxy for earnings where other sources of data are not available.)

Table 4.20: Average weekly earnings and hours paid for full-time adults, selected community services occupations, 2002

Occupation	Average weekly earnings^(a)	Hours paid for^(b)
Social welfare professionals ^(c)	\$668.40	37.7
Miscellaneous social professionals ^(d)	\$649.20	n.p.
Welfare associate professionals	\$574.00	38.5
Carers and aides	\$402.60	38.1
Child care workers	\$424.10	n.p.
Family day care workers	\$370.30	37.4
Special care workers	\$372.00	39.7
Personal care and nursing assistants	\$463.90	37.7

(a) Total earnings for full-time employed adults. Includes ordinary time and overtime earnings.

(b) Total hours paid for, full-time employed adults. Includes ordinary time and overtime hours.

(c) Includes social workers, welfare and community workers, counsellors.

(d) Includes other social professionals.

Source: ABS 2003c.

The relatively low incomes for those in community services occupations may be partly explained by their relatively high proportions employed part-time (51%) and on a casual basis. Moreover, casual workers are less likely to be trade union members (only 11% in 1999, compared with 31% for permanent employees) (ABS 2000c). The majority of community services workers are unlikely to have the assistance of a trade union to negotiate rates of pay and working conditions.

Income levels for child and youth services workers have received considerable attention in recent years. Their income levels were relatively low in 2001 – half (49%) of all child and youth workers received less than \$20,800 per year in 2001 – but this was partly due to the number of hours worked, as 49.7% of the group worked part-time (AIHW & ABS 2003).

Average weekly earnings data can be obtained from the ABS biennial survey of employee earnings and hours. This survey provides earnings data (including the composition of average weekly earnings) for various categories of employees, by occupation group and industry.

The survey showed that average weekly earnings for workers in community services occupations varies by occupation. Professionals working full-time in social and welfare areas, such as social workers, received average weekly earnings of between \$574 and \$668 in 2002 (Table 4.20). This compares with \$424 per week for child care workers and around \$370 for family day care workers and special care workers (who provide care and supervision for children in residential child care establishments and security institutions; care to people in refuges; or household support and assistance to people in need of care or therapy programs).

Trends in community services occupations

The number of workers in comparable community services occupations in Australia increased by 50,078 (26.8%) between 1996 and 2001 (Table 4.21). This growth was substantially higher than the total growth in all occupations over the period (8.7%).

Table 4.21: Persons employed in community services and all occupations, 1996 and 2001

Occupation	1996	2001	Difference	% difference
Child and youth services				
Child care coordinator	7,136	6,437	-699	-9.8
Pre-primary school teacher	12,588	14,166	1,578	12.5
Youth worker	5,389	6,166	777	14.4
Pre-school aide	3,077	4,685	1,608	52.3
Child care worker	31,200	45,189	13,989	44.8
Family day care worker	16,578	10,997	-5,581	-33.7
Nanny	6,578	5,300	-1,278	-19.4
Hostel parent	1,629	1,450	-179	-11.0
Child or youth residential care assistant	3,595	487	-3,108	-86.5
Children's care worker nfd	5,503	6,814	1,311	23.8
<i>Total</i>	<i>93,273</i>	<i>101,691</i>	<i>8,418</i>	<i>9.0</i>
Family services				
Welfare worker	6,226	8,985	2,759	44.3
Family counsellor	1,400	1,310	-90	-6.4
Family support worker	1,001	1,383	382	38.2
<i>Total</i>	<i>8,627</i>	<i>11,678</i>	<i>3,051</i>	<i>35.4</i>
Disability workers				
Special needs teacher	8,825	9,665	840	9.5
Teacher of the hearing impaired	609	830	221	36.3
Teacher of the sight impaired	254	236	-18	-7.1
Special education teacher, nec	1,013	711	-302	-29.8
Residential care officer	1,015	2,825	1,810	178.3
Disabilities services officer	4,930	6,232	1,302	26.4
Integration aide	2,877	10,396	7,519	261.3
<i>Total</i>	<i>19,523</i>	<i>30,895</i>	<i>11,372</i>	<i>58.2</i>
Aged or disabled care				
Aged or disabled person carer	35,943	51,792	15,849	44.1
Other community services				
Welfare centre manager	983	829	-154	-15.7
Social workers	7,193	9,110	1,917	26.7
Community worker	15,804	17,113	1,309	8.3
Rehabilitation counsellor	1,206	1,532	326	27.0
Drug and alcohol counsellor	756	1,099	343	45.4
Welfare associate professional, nfd	61	527	466	763.9
Parole or probation officer	828	1,110	282	34.1
Social security inspector	2,291	9,302	7,011	306.0
Refuge worker	480	368	-112	-23.3
<i>Total</i>	<i>29,602</i>	<i>40,990</i>	<i>11,388</i>	<i>38.5</i>
Total community services	186,968	237,046	50,078	26.8
Total all occupations	7,636,319	8,298,606	662,287	8.7

Source: AIHW & ABS 2003.

There was considerable variation, however, among the various community services occupations. Child and youth services occupations increased by 8,418 workers (9.0%) to 101,691 in 2001. There was a decrease in family day care worker, nanny, child or youth residential care assistants and childcare coordinator occupations, and an increase of 13,989 child care workers, reflecting the trend away from care in the child or carer's home and residential care to care in child care centres.

Between 1996 and 2001, the number of family services workers increased by 35.4%, although one occupation from this group, family counsellors, decreased by 6.4%. Disability workers increased by 58.2%, with a marked increase in the number of integration aides and residential care officers. The number of aged and disabled person carers increased 44.1% to 51,792 in 2001.

Box 4.6: Aged care nurses

In common with most other countries, Australia has, as a consequence of the post-World War II 'baby boom', a population 'bulge' now reaching retirement ages, and this is affecting workers who provide welfare services. The combined effect of these two movements is likely to be an increased pressure on the providers of health and welfare services to older people.

The mainstay of the aged care nursing workforce comprises nurses employed in the areas of practice of geriatrics/gerontology and community/district/domiciliary nursing (numbering 33,335 and 8,043 nurses, respectively, in 1999). These nurses supply health care and welfare services in residential aged care establishments and in the community. In 2002 the Senate Community Affairs Committee Inquiry into Nursing identified aged care as the area of nursing 'in greatest crisis' (SCAC 2002).

Highlighting this finding, the table below shows that over the period from 1993 to 1999 there have been declines in the number of nurses in both these areas of activity (of 20% and 12%, respectively). This compares with a 3.6% total growth in nurse numbers over the period.

For geriatrics/gerontology, there was a sharper decline of enrolled nurses (29%) than of registered nurses (12%). This was in marked contrast to community/district/domiciliary nursing, where enrolled nurse numbers rose by 37% and registered nurse numbers dropped by 16%.

Nurses employed in selected areas, 1993 to 1999

Area of nursing^(a) /type of nurse	1993	1999	% change 1993 to 1999
Geriatrics/gerontology	41,685	33,335	-20.0
Community/district/domiciliary nursing	9,123	8,043	-11.8
All nurses ^(b)	216,696	224,594	3.6

(a) Nursing activity categories only contain clinical nurses.

(b) Total comprises clinical and non-clinical nurses and activity categories not shown here.

Source: AIHW 2003b.

Other community services worker numbers increased by 38.5% between 1996 and 2001. The 17,113 community workers made up the largest occupation in the group and, together with the 9,302 social security assessors and the 9,110 social workers, comprise 87% of this group.

Variation in staffing of welfare services across Australia

There were 1,228 community services workers per 100,000 population in Australia in 2001 (Table 4.22), compared with 2,354 health workers per 100,000 population (AIHW & ABS 2003), but there was considerable variation among the states and territories. The Australian Capital Territory and the Northern Territory had the highest rates of community services workers with 1,694 and 1,589, respectively. New South Wales had the lowest rate (1,077) with Sydney having 970 per 100,000 population.

In Queensland, South Australia and Tasmania, the capital city had higher rates of community services workers than the remainder of the state, but in New South Wales, Victoria, Western Australia, and the Northern Territory there were more workers per 100,000 people outside of the capital cities.

Table 4.22: Persons employed in community services occupations per 100,000 population, 2001

Capital city ^(a) /balance of state or territory	Client group				Other community services	Total community services occupations
	Child and youth services	Family services	Disability services	Aged or disabled care		
Sydney	487	58	122	118	185	970
Balance of New South Wales	502	73	157	262	217	1,205
<i>New South Wales</i>	<i>493</i>	<i>63</i>	<i>135</i>	<i>189</i>	<i>197</i>	<i>1,077</i>
Melbourne	501	67	184	214	216	1,182
Balance of Victoria	497	109	275	490	229	1,600
<i>Victoria</i>	<i>500</i>	<i>79</i>	<i>209</i>	<i>291</i>	<i>220</i>	<i>1,298</i>
Brisbane	647	42	175	219	200	1,282
Balance of Queensland	603	43	142	305	175	1,268
<i>Queensland</i>	<i>623</i>	<i>42</i>	<i>157</i>	<i>266</i>	<i>187</i>	<i>1,275</i>
Perth	453	46	181	255	223	1,159
Balance of Western Australia	482	59	144	365	264	1,314
<i>Western Australia</i>	<i>461</i>	<i>49</i>	<i>171</i>	<i>285</i>	<i>234</i>	<i>1,201</i>
Adelaide	504	49	137	383	281	1,353
Balance of South Australia	487	43	125	538	227	1,149
<i>South Australia</i>	<i>499</i>	<i>47</i>	<i>133</i>	<i>425</i>	<i>266</i>	<i>1,371</i>
Hobart	483	61	144	427	332	1,447
Balance of Tasmania	465	55	137	512	235	1,404
<i>Tasmania</i>	<i>474</i>	<i>58</i>	<i>140</i>	<i>470</i>	<i>283</i>	<i>1,425</i>
<i>Australian Capital Territory</i>	<i>892</i>	<i>64</i>	<i>171</i>	<i>292</i>	<i>275</i>	<i>1,694</i>
Darwin	717	65	162	173	351	1,467
Balance of Northern Territory	598	149	236	270	476	1,729
<i>Northern Territory</i>	<i>661</i>	<i>104</i>	<i>196</i>	<i>218</i>	<i>409</i>	<i>1,589</i>
Australia	524	61	162	265	215	1,228

(a) Capital cities are statistical divisions as defined in ABS Australian Standard Geographical Classification (ASGC), ABS Cat. no. 1216.0.

Source: AIHW & ABS 2003.

Unpaid work

The discussion that follows relates to care provided either through organisations as volunteers or caring for others in an informal setting. This work by the households sector complements the services provided by governments and NGCSOs.

Volunteers and voluntary work through organisations

The information in this section is based on ABS surveys of voluntary work and time use (ABS 1996b, 2001d, 1999d). The voluntary work survey covers organisations whose work is for the wider social benefit of the general community. It also includes volunteers doing administrative, accounting and fund-raising work. Data extracted from the 1997 Time Use Survey relate to direct services/assistance provided through 'community – health and welfare' organisations.⁴

In 1995 and 2000, the Australian Bureau of Statistics carried out national surveys of voluntary work, which collected data on people who gave unpaid help in the form of time, service or skills, through an organisation or group. In 2000, almost 1.3 million people worked as volunteers for community and welfare organisations in Australia, contributing 181.1 million hours—just over one-quarter (26%) of all hours worked by volunteers. Community and welfare organisations specifically provide welfare services to the general community and to target population groups. Examples are Rotary, Lifeline, Royal Blind Society, Meals on Wheels, neighbourhood centres, and information and referral services. Voluntary work performed for these organisations complements the contribution of the community services workforce to welfare services in Australia.

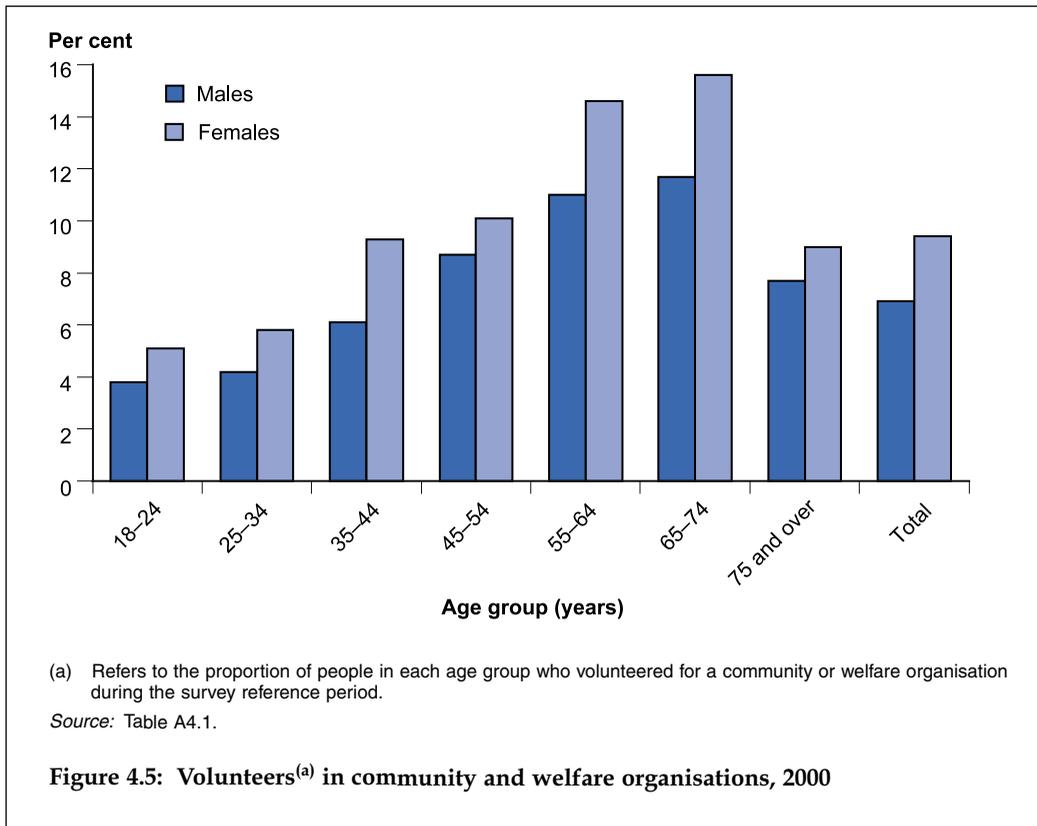
The four most common voluntary work activities were fund-raising, management and committee work, administration, and preparing or serving food. Female volunteers also commonly provided counselling, supportive listening and befriending.

The 2000 Survey revealed that many volunteers working for community and welfare organisations have an ongoing commitment. Most in 2000 (70%) worked at least once a week and another quarter (25%) at least once a month. Over 40% had been volunteering for the organisation for between 1 and 5 years. Further, over one quarter (28%) had done so for more than 10 years.

Who volunteers for community and welfare organisations?

Women were more likely than men to volunteer for community and welfare organisations—11% of females and 8% of males in 2000, and this was the case in all age groups (Figure 4.5). Generally, participation increased with age, with 10% of 45–55 year olds and 16% of 65–75 year olds volunteering, compared with 6% of people in the age group 18–24 years.

4 In extracting data on voluntary work, a combination of two variables were used: primary activity 'priactr' coded to 700–799, which are related to direct care; and 'forwhom' coded to 14 'Community – health and welfare'.



The likelihood of doing voluntary work was related to people’s employment status, and the patterns were different for men and women (see Table A4.1). Women had higher participation rates if they were not in the labour force (11%) , unemployed (12%) or employed part-time (12%) than if they were employed full-time (8%). Men were more likely to volunteer if they were not in the labour force (10%) than if they were employed part-time (8%), employed full-time (7%) or unemployed (4%).

Hours worked

Women contributed more hours to community and welfare organisations than men—100.7 million hours in 2000, compared with 80.5 million hours, although the median of hours volunteered by men (52 hours per year) was higher than for women (48).

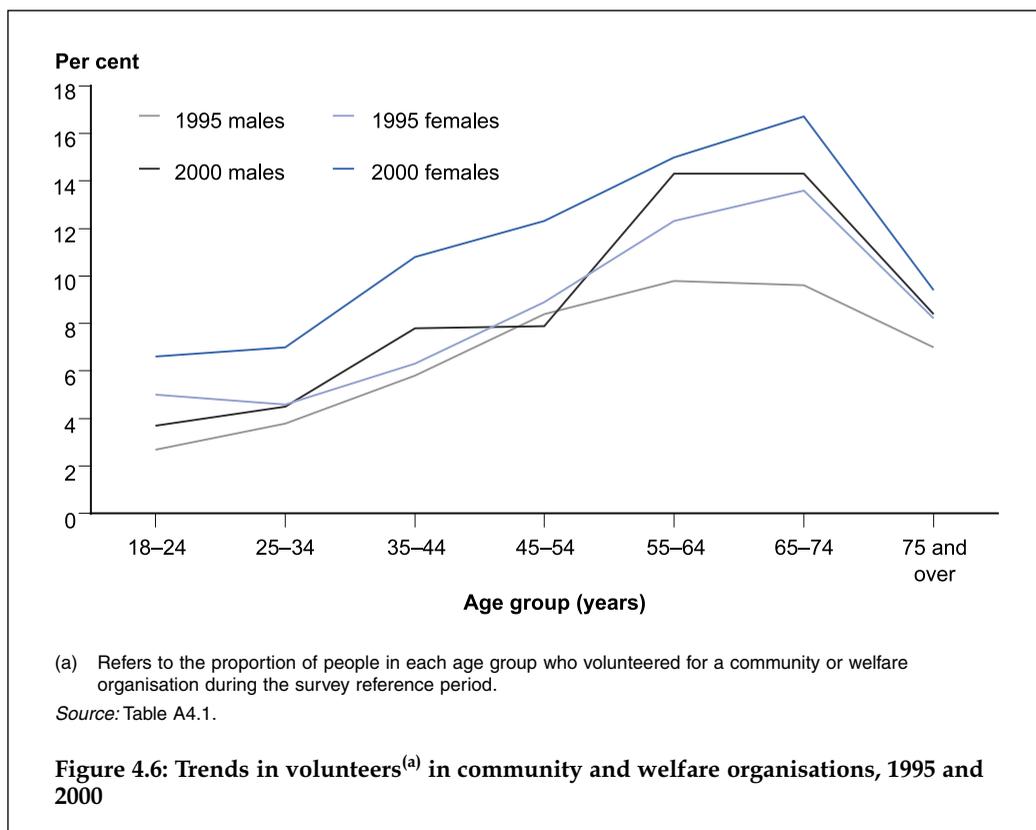
Time spent on direct welfare services based on the Time Use Survey revealed that females caring for others through organisations accounted for 57 million hours (67% of the total time spent on these activities). Males spent 28 million hours (see Table 4.23). For the age group 15–64, the corresponding proportions were 84% for females and 16% for males. For the age group 65+, however, they were 39% and 61% for females and males, respectively.

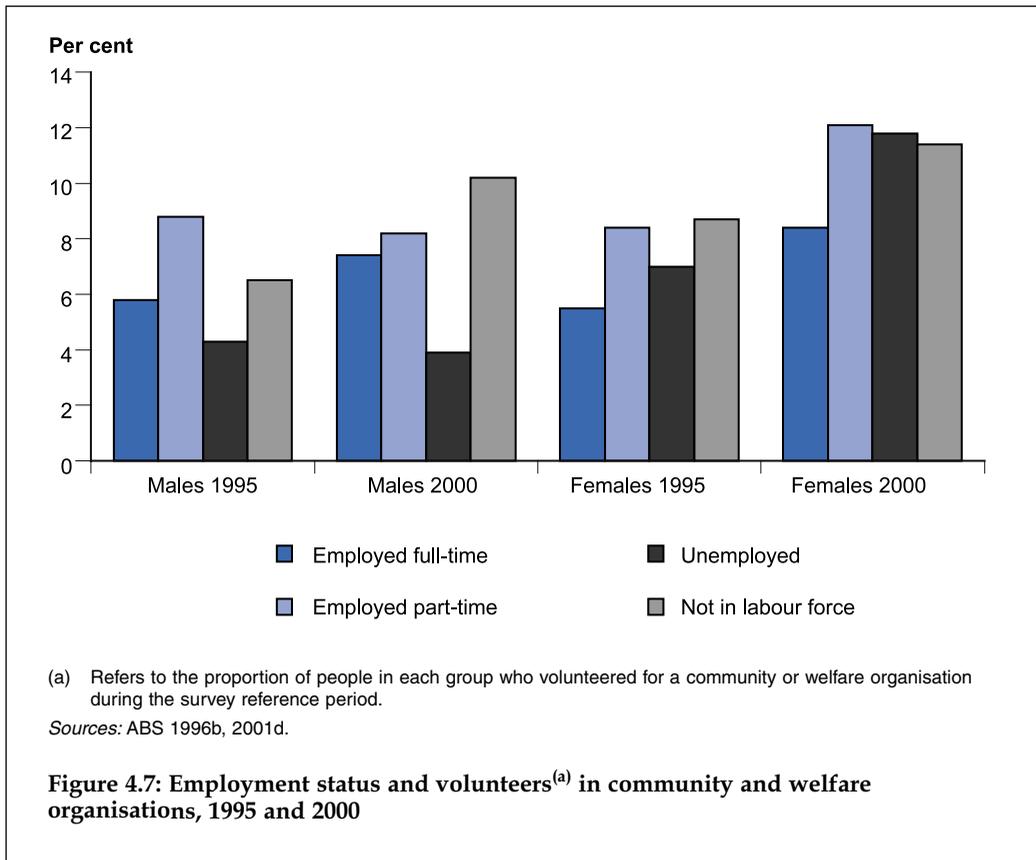
Trends in volunteering

The proportion of the population who undertook voluntary work for community and welfare organisations increased substantially between the two survey years. In 1995, the estimated number of volunteers aged 18 years and over was 933,700, representing 7% of the population of the same age. By 2000, the estimated 1,298,000 volunteers represented 9% of the population.

Between 1995 and 2000 the estimated number of volunteers grew by 34% for males and 43% for females. The 35–44 year age group showed the largest increase over the period (up 63%) (Figure 4.6). For men, the largest increases were in the 55–64 years and the 75 and over age groups (up 64% and 56%, respectively). For women, the largest increases were in the 35–44 year age group (up 81%). The median number of hours worked per volunteer fell from 50 in 1995 to 48 hours per year in 2000.

The greatest growth in participation by labour force status between 1995 and 2000 was for those in part-time employment (up 52%) and full-time employment (up 42%). Changes over the period were quite different for males and females, with volunteer numbers for males not in the labour force rising by 60% – much higher than the 21% increase for females. On the other hand, the strong increases in the number of female volunteers in the other three categories (i.e. full-time, part-time and unemployed) of 65%, 65% and 67% respectively were much greater than those for males (32%, 15%, –37% respectively) (Figure 4.7, Table A4.1).





Informal care

Care or assistance provided to others in an informal setting comprises child care⁵ and care for adults in need of assistance in activities of daily living. For both types of care, females spent more hours in providing care to others than their male counterparts.

In 2000–01, it is estimated that 378 million hours (72%) of child care-related activities were undertaken by females and 146 million hours (28%) by males (Table 4.23). For care of adults, 686 million hours (58%) were by females and 506 million hours (42%) were by males.

Valuing unpaid welfare services

A ‘replacement cost’ method was adopted to impute a value for the welfare services provided by members of households that were not provided in the course of their employment. That method assumes that:

- the only costs involved were direct labour costs; and

5 Time spent caring for own children who are not sick was not classified as a welfare service.

- the value of the labour provided was equal to the labour costs that would otherwise be incurred by service providers if they had employed paid workers to provide the services in question.

The total imputed value of \$28.8 billion (Table 4.24) includes care by those who were in receipt of Carer Allowances or Carer Payments – at \$1.0 billion in 2000–01.

Time used by members of households to provide welfare services that were not in the course of their employment was valued at \$29.0 billion in 2000–01. Of this, an estimated \$0.2 billion was for informal child care services where a fee was charged. This means that the net value of unpaid welfare services provided by household members in 2000–01 was \$28.8 billion.

Table 4.23: Estimates of time spent by households in providing welfare services, 2000–01

		Voluntary work and care			Total
		Child care– related	For adults	Through organisations	
			independent of organisations		
Million hours per year					
Aged 15–64 years	Males	127	438	8	574
	Females	333	567	43	944
	Persons	462	1,005	51	1,518
Aged 65+ years	Males	18	68	20	105
	Females	44	120	14	177
	Persons	62	187	33	283
All	Males	146	506	28	680
	Females	378	686	57	1,121
	Persons	524	1,192	84	1,801
Number of volunteers (FTE)					
All	Males	79,119	275,002	15,001	369,152
	Females	207,964	377,168	31,082	616,214
	Persons	287,083	652,170	46,113	985,366
Percentage of hours per year					
Aged 15–64 years	Males	22.1	76.3	1.4	100
	Females	35.3	60.1	4.6	100
	Persons	30.4	66.2	3.4	100
Aged 65+ years	Males	17.1	64.8	19.0	100
	Females	24.9	67.8	7.9	100
	Persons	21.9	66.1	11.7	100
All	Males	21.5	74.4	4.1	100
	Females	33.7	61.2	5.1	100
	Persons	29.1	66.2	4.7	100

Note: Totals may not add due to rounding.

Source: Estimated by AIHW based on ABS Time Use Survey Unit Record File (ABS 1999d).

Table 4.24: Estimates of the value of time households devoted to welfare services, 2000–01 (\$m)

Service type	Men	Women	Persons
Child care–related	2,525	5,798	8,320
Voluntary work and care			
Care for adults	8,775	10,511	19,287
Voluntary work through organisations	480	866	1,346
Total gross value	11,780	17,173	28,953
Proportion of value	40.7	59.3	
Less paid informal child care			201
Net value of unpaid work			28,753

Sources: Time—Estimated by AIHW based on ABS Time Use Survey Unit Record File (ABS 1999d); Employee earnings—ABS 2001a, 2003b.

In terms of type of care provided using this unpaid work, 66.6% (\$19.3 billion) of the gross value was for care of other adult family members, friends or neighbours. A further 28.6% (\$8.3 billion) was for child care–related activities and the remaining \$1.4 billion was for voluntary work through community services organisations.

Time used by men accounted for 40.7% of the gross value of the unpaid time used for welfare services, and women 59.3%.

4.6 Summary

The total value of resources devoted to providing welfare services in Australia in 2000–01 was estimated at \$43.2 billion, \$13.7 billion of which was expenditure on services. The balance (\$29.5 billion) was made up of the imputed value of input tax exemptions (\$0.7 billion), and unpaid services provided by members of the households sector (valued at \$28.8 billion).

The \$13.7 billion of recurrent expenditure represented 2.1% of GDP. Expenditure on welfare services as a proportion of GDP increased steadily over time, from 1.7% in 1992–93 to 1.9% in 1997–98. It increased to 2.1% in 1999–00 and remained at that level in 2000–01.

Per person expenditure in current prices increased from \$405 in 1992–93 to \$584 in 1997–98, corresponding to an average real growth of 6.9% per year. Between 1998–99 and 2000–01, it increased from \$631 to \$707, or by 3.8% in real terms.

In 2000–01, 70% (\$9.6 billion) of total funding was by the government sector, 19% (\$2.5 billion) by households, and 12% (\$1.6 billion) by NGCSOs. Of the total government sector funding, 45% was by the Commonwealth, 53% by state and territory governments and 2% by local governments.

Services for older people accounted for 38% of the Commonwealth government recurrent funding. Of the balance, 33% was funding for families and children, 24% for services to people with disabilities, and 5% for other welfare services.

Of the total state and territory government recurrent expenditure, welfare services for people with disabilities accounted for 40%, for families and children 34%, and for older people 14%. The remaining 12% was for other welfare services.

The predominant role of NGCSOs continues to be one of services provider. The expenditure they incurred in 2000–01 (\$6.9 billion) represented more than half of the total expenditure on welfare services in that year. Expenditure incurred by NGCSOs rose from \$3.9 billion in 1992–93 to \$6.2 billion in 1997–98. Between 1998–99 and 2000–01, it increased from \$5.7 billion to \$6.9 billion.

Most of the funding for NGCSO services came from other funding sources: 49% from governments and 28% from fees charged to clients. The NGCSOs, themselves, provided 23% from their own funds.

Internationally, Australia's public sector expenditure on welfare services in 1998 was 1.4% of GDP. This was similar to Germany (1.6%) and the UK (1.3%).

The human resources involved in providing and supporting welfare services comprise people employed in community services work, volunteers working through community organisations, and those who provide mainly home-based informal welfare services. It is estimated that the unpaid hours of care provided by household members was equivalent to a full-time equivalent of 1 million. This is about 5 times more than the number of those in the paid workforce, estimated at 195,313 FTE.

The information on community services labour resources provided in this chapter, from the ABS Census of Population and Housing, indicates strong growth in the number of people working in community services industries and occupations, with the latter increasing by 27% in the 5 years to 2001. The ABS surveys of voluntary work conducted in 1995 and 2000 showed the number of volunteers increasing by nearly 40% between those years.

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