



Welfare spending

Welfare expenditure growing more slowly than the Australian economy.

KEY POINTS:

A complex system – at a cost

- In 2012–13, government spending on welfare was an estimated \$136.5 billion.
 - 68.2% (\$93.1 billion) for cash payments for specific populations
 - 26.3% (\$35.9 billion) on welfare services
 - 5.5% (\$7.5 billion) on unemployment benefits
- Welfare expenditure increased between 2003–04 and 2012–13, with an average annual growth rate of 2.6%.
- Despite this growth, welfare expenditure grew more slowly than the overall economy over the same period. Gross domestic product (GDP) experienced annual growth of 2.9% in constant prices between 2003–04 and 2012–13, compared with 2.6% annual growth in welfare spending. As a consequence, welfare expenditure fell from 9.5% of GDP in 2003–04 to 9.0% in 2012–13.

A growing workforce, mostly female, earning less

- In 2014 there were 605,900 paid workers employed in community services industries, representing 5% of the 11.6 million employed people in Australia overall.
- Most welfare workers are female. For example, 94% of workers in child care centres, 90% in aged care services, 84–89% in child protection services and 77% in homelessness services, are female.
- The pay earned by some workers in welfare-related fields is less, on average, than in other occupations. For example, in 2014, the average weekly cash earnings of child carers (\$537) and aged and disabled carers (\$679) were substantially lower than cash earnings of workers across all occupations (\$1,182).

The role of informal carers

- In 2012, 2.7 million Australians were informal carers (12% of the population), and of these, around 770,000 were primary carers.