

Welfare expenditure Australia 2003–04

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Abbreviations and symbols

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of social Service
AIHW	Australian Institute of Health and Welfare
AIHW est	Estimated by Australian Institute of Health and Welfare
CGC	Commonwealth Grants Commission
CSHC	Commonwealth Senior Health Care Card
DHS	Department of Human Services (Victoria)
DoHA	Australian Government Department of Health and Ageing
DVA	Australian Government Department of Veterans' Affairs
FaCS	Australian Government Department of Family and Community Services
GDP	Gross domestic product
GFCE	Government Final Consumption Expenditure
GFS	ABS Government Finance Statistics
GPC	ABS Government Purpose Classification
GST	Goods and Services Tax
HACC	Home and Community Care Program
HCC	Health Care Card
IPD	Implicit price deflator
nec	Not elsewhere classified
NGCSO	Non-government community service organisation
OECD	Organisation for Economic Co-operation and Development
PCC	Pensioner Concession Card
RoGS	Productivity Commission Report on Government Services
SAAP	Supported Accommodation Assistance Program
SOCX	OECD Social Expenditure Classification
SPP	Specific purpose payment (under Section 96 of the Australian Constitution)
–	Nil or rounded down to zero
..	Not applicable
n.a.	Not available
n.p.	Not published due to data quality issues
r	Revised since publication of <i>Welfare expenditure Australia 2002–03</i>

Executive summary

Purpose and scope of this report

Regular reporting of expenditure in Australia is an important responsibility of the Australian Institute of Health and Welfare. This is the ninth in a series of welfare expenditure publications by the Institute that began in 1995. The Institute reports on other aspects of social expenditure in the health expenditure publication and other publications like Australia's welfare.

Compiling comprehensive and meaningful estimates of welfare expenditures continues to be a daunting task – largely due to the lack of a clearly defined and comprehensive framework within which to develop such estimates. In the absence of such a framework, the Institute has, in the main, restricted the scope of its estimates to expenditure on four broad groups of 'people in need of assistance'. These are: families and children; older people; people with disabilities; and people who access other forms of welfare services, such as Indigenous Australians, migrants, widows and women subject to violence.

Developments in welfare expenditure reporting

The Institute has continued to expand the range of assistance types for which it produces estimates. It began by reporting broad estimates of expenditure on welfare services for families and children, older people, people with disabilities and other welfare services. In later issues it separately identified expenditure by governments on core concessions to these same four groups of people in need of assistance. And, in the previous issue in the series, it included estimates of expenditure by the Australian Government on a range of social security benefits.

In this issue, further new ground has been broken in relation to the range of other social expenditures that have been reported on. For the first time, estimates have been made of the value of concessions on motor vehicle registration and this has resulted in revisions of the estimates of concessions for the financial years 1998–99 to 2002–03. Also for the first time, the Institute has included estimates of social tax expenditures by the Australian Government. Work is also continuing on methods to identify tax expenditures arising from the exemption from goods and services tax for welfare services.

Changes in systems and data sources render comparisons over time difficult. It is also true that there may be social expenditures that have not been included, because of the lack of data to support the development of estimates. The Institute continues to work towards improving the estimates, and the reliability of the data underpinning them.

The expenditure estimates in this issue

The period covered by this issue begins in 1998–99 – the year from which ABS began compiling government finance statistics on an accrual basis. Although the Institute has compiled cash-based estimates for years prior to 1998–99, they are not compatible with the estimates in this report.

Some of the estimates for earlier years have been revised since the publication of *Welfare expenditure Australia 2002–03*. Therefore, any trend analyses should be confined to the estimates in this publication and should not refer to estimates reported in previous publications.

Key findings

Welfare expenditure (including welfare services and social security payments)

- Welfare expenditure by governments, non-government community services organisations (NGCSOs) and households in 2003–04 (not including superannuation benefits) was estimated at \$79.9 billion. Of this, \$59.8 billion was social security benefits and other cash payments to relevant social expenditure (SOCX) client categories; and the remaining \$20.1 billion was expenditure on the provision of welfare services (Table 4.1).
- Of the total \$79.9 billion, \$27.7 billion was for older people, \$27.1 billion for families and children, \$13.7 billion for people with disabilities, and the remaining \$11.4 billion was for survivors and other social categories (Table 4.1).

Welfare services

- Total expenditure on welfare services during 2003–04 was \$20.1 billion, representing 2.5% of gross domestic product (GDP) (Table 2.1).
- Expenditure on welfare services in 2003–04 increased, in real terms, by 8.3% over the previous year; this was higher than the average annual growth rate over the period 1998–99 to 2003–04 (6.8%) (Table 2.2).
- On a per person basis, expenditure on welfare services in current price terms in 2003–04 was \$1,006, up from \$655 in 1998–99 (Table 2.4).
- In 2003–04, more than two-thirds of all Australian Government funding of welfare services was directed to services for older people and for families and children (41.1% and 30.5% respectively). The balance was to fund services for people with disabilities (20.5%) and to provide other welfare services (7.9%) (Table 2.7).
- More than one-third of all state and territory government funding during 2003–04 was on services for people with disabilities (34.8%). Over a quarter was directed to welfare services not elsewhere classified (27.3%), and a quarter went to family and child welfare services (25.1%). Funding of services for older people represented 12.7% of recurrent funding by state and territory governments (Table 2.7).
- Welfare services for older people was the area of most rapid growth in the Australian Government's funding, averaging 10.9% per year from 1998–99 to 2003–04. State and territory governments' funding of welfare services for families and children grew more rapidly than in other areas of services, averaging 7.9% per year from 1998–99 to 2003–04 (Table 2.8).
- The Northern Territory, reflecting its relatively younger population structure, directed a greater share of its funding to services for families and children than did other jurisdictions (40.7% in 2003–04 compared with a national average of 25.1%) (Table 2.9).

- State and territory government funding of welfare services averaged \$335 per person in 2003–04 – ranging from \$237 in Queensland to \$422 in Tasmania (Table 2.10).
- Almost half (48.8%) of expenditure incurred by NGCSOs in 2003–04 was funded by governments, 24.9% by clients in the form of fees for services, and 26.2% from the NGCSOs' own funding sources (Table 2.12).
- In 2003–04, 82.7% of households' contribution in the form of client fees was for services provided by NGCSOs, 10.4% for services provided by governments, and the remaining 6.9% for informal child care by the household sector itself (Table 2.13).

Concessions and tax expenditure

- Concessions on council rates, electricity, water and sewerage, public transport and motor vehicle registration by state and territory governments were estimated to total \$1,412 million in 2003–04 (Table 3.2).
- In 2003–04, tax expenditure by the Australian Government which benefited individual taxpayers was \$20.6 billion (Table 3.3). About three-quarters of this amount was tax expenditure for older people.

1 Introduction

1.1 Background

Welfare expenditure Australia 2003–04 provides estimates of welfare services expenditure and social security payments for the relevant welfare services client categories. It continues the series of publications released by the Australian Institute of Health and Welfare (AIHW) since the mid-1990s. Initially the range of expenditure had been limited to expenditure on welfare services (concessions included); this was later expanded to include Australian Government social security expenditures. The term ‘welfare expenditure’ is used throughout this publication to refer to the broad range of expenditures – welfare services and social security payments, which are provided for the four welfare service client categories of families and children, older people, people with disabilities and other disadvantaged groups.

This publication continues to report estimates under those broad categories although the ranges of expenditures within some of those categories have been expanded. The main body of the publication is divided into three chapters:

Chapter 2: Expenditure and funding for welfare services

Chapter 3: Concessions to households

Chapter 4: Welfare expenditure estimates using international classifications.

In addition, Chapter 5 expands the analysis of selected Australian Government social security payments by state and territory.

Scope

There is no generally accepted national or international framework that identifies or limits the scope of expenditures and payments that could broadly be regarded as social expenditures. Theoretically, these might include the whole range of expenditures that have a social context – including expenditure on health, education, corrective services and unemployment.

The AIHW’s first involvement in undertaking estimates of social expenditures was to produce estimates of expenditure on health. These estimates continue to be produced on an annual basis and are reported in the *Health expenditure Australia* series of publications.

Non-health expenditure reporting began with the development of estimates of expenditure on welfare services and this has now been expanded to include social security and to separately identify concessions. Because these are reported together in this series of publications, it is important to maintain consistency in the scope of the reported expenditures. To achieve this, the AIHW has limited its analyses in the welfare expenditure series to expenditures that are aimed at assisting the target groups for the four welfare services categories in the Government Purpose Classification (GPC) used by the Australian Bureau of Statistics (ABS) for its public finance estimates (see below).

Welfare services expenditure

Expenditure on welfare services relates to expenditure incurred by governments, non-government organisations and individual households in providing services to assist

members of the Australian community who are in special need. In the analyses that follow these are limited to services provided to:

- families and children
- older people
- people with disabilities
- other disadvantaged groups.

Chapter 6 provides details of the welfare services categories of the GPC.

While the GPC has been specifically constructed to describe purposes for government activity, in this publication the broad GPC-based groupings have also been used to delimit the analyses of expenditures on services provided by non-government organisations and households.

In the case of households' expenditures on welfare services, the only identifiable expenditures relate to payments for informal child care. It is believed that households may also make similar payments in respect of other forms of informal care, but there are no data to support the development of estimates of such expenditures.

Concessions

The discussion of expenditures by governments on concessions is also limited to those concessions provided to individuals because of their membership of populations that broadly coincide with the four welfare services categories.

The concessions analysed do not, for example, include transport concessions for students, which are available to people because of their classification as 'students' and not because they are members of families. On the other hand, transport concessions for older people are included, because they are available on the basis of membership of that particular grouping.

Social expenditures and welfare expenditures

Overall, the welfare services expenditures, concessions expenditures and social security payments are mapped to five of the nine target groups covered by the international classification of social expenditure (SOCX) developed and used by the Organisation for Economic Co-operation and Development (OECD). Again, the GPC-based groupings mentioned above have been used to delimit these categories. The SOCX categories used are:

- Old age
- Survivors
- Incapacity-related
- Families
- Other social expenditures.

The SOCX categories excluded are:

- Health
- Unemployment
- Active labour market programs
- Housing.

This second group of social expenditures are generally treated as 'out-of-scope' for this report. The exceptions to this are labour market programs aimed specifically at people with disabilities and some expenditure on welfare housing services through the supported

accommodation assistance program. The term welfare expenditure, when used in this report, refers only to relevant parts of the SOCX expenditure and not total social expenditure.

In the case of social security payments, the analysis is limited to those broad types of cash benefits that flow to people who might be eligible to access the types of government services covered by the welfare services GPC categories. It does not, for example, include active labour market or employment programs, unless they are directly aimed at people with disabilities.

Detailed information on definitions of welfare services and social security covered in the report is provided in Chapter 6.

Data sources

The expenditure estimates reported here have been derived from a patchwork of data sources. This was necessary because of the varying quality and other limitations of potential data sources across jurisdictions and across years.

There continues to be a paucity of reliable information to support estimates of expenditure and funding by non-government community services organisations (NGCSOs). The NGCSO funding estimates presented here rely heavily on assumptions regarding the relationship between government funding and expenditure by NGCSOs. They should, therefore, be treated with caution as indicative of broad magnitudes only.

The key data sources for the state and territory government expenditures are set out in Table 6.1 in Chapter 6.

1.2 Revisions to previously published estimates

Some welfare services expenditure and funding estimates have been revised since the publication of *Welfare expenditure Australia 2002–03*. These changes are mainly due to additional or improved data from the same data sources.

For more information on these revisions, see Chapter 6.

2 Expenditure and funding for welfare services (including core concessions)

2.1 Expenditure on welfare services in Australia

Total expenditure on welfare services in current prices in 2003–04 was estimated at \$20.1 billion, up \$2.4 billion from the previous year (Table 2.1). This represented 2.5% of gross domestic product (GDP).

The share of GDP accounted for by welfare services was estimated to have risen by 0.2 percentage points between 2002–03 and 2003–04, from 2.3% to 2.5%. This followed a gradual rise from 2.1% between 1998–99 and 2002–03.

Table 2.1: Expenditure on welfare services and GDP, current prices, 1998–99 to 2003–04

Year	Welfare services expenditure (\$ million)	GDP (\$ million)	Ratio of welfare services expenditure to GDP (per cent)
1998–99	12,327 ^r	589,597 ^r	2.1
1999–00	13,490 ^r	623,461 ^r	2.2
2000–01	14,456 ^r	668,426 ^r	2.2
2001–02	15,918 ^r	713,229 ^r	2.2
2002–03	17,756 ^r	758,147 ^r	2.3
2003–04	20,110	811,643	2.5

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Sources: Expenditure: AIHW; GDP: ABS 2005.

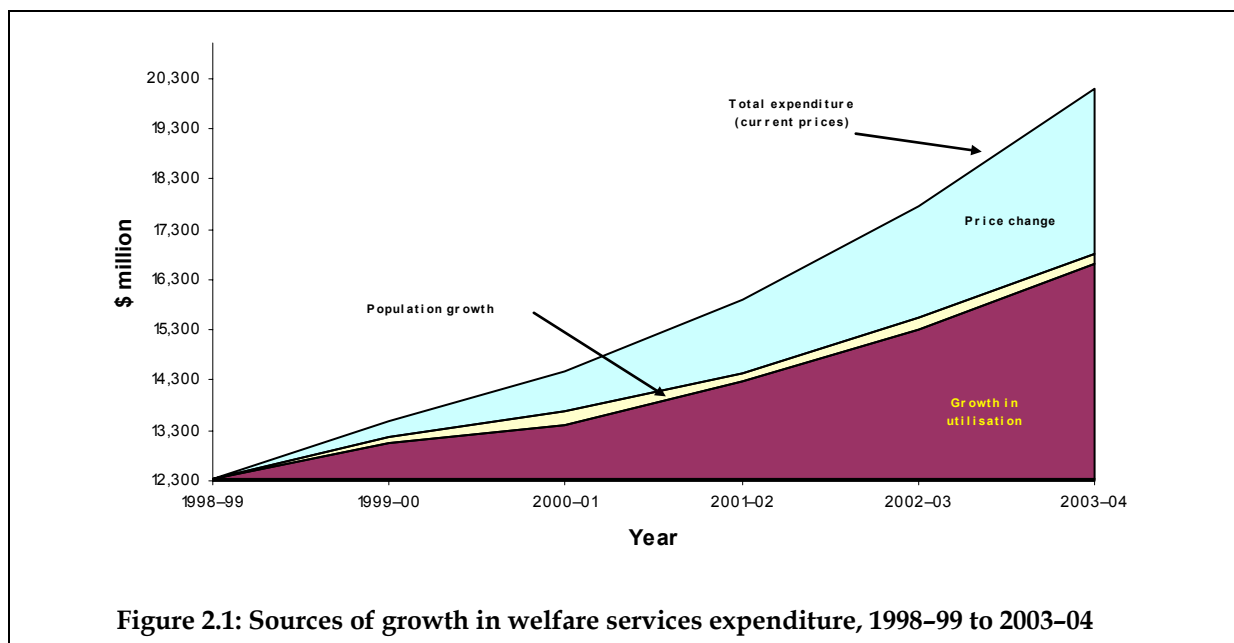
Changes in the welfare services-to-GDP ratio can come about because of differences in:

- growth in the volume of welfare services relative to the broader economy; and/or
- the rates at which prices for welfare services inputs move relative to prices throughout the broader economy.

Real growth in expenditure on welfare services is an estimate of the rate at which the volume of welfare services changes over time. The real growth reflects the combined effects of changes in the average level of provision and use of services per person and the growth in the population. Changes in per person use, in turn, reflect changes in:

- structure of the population (as distinct from changes in the overall population size)
- composition of services supplied and their associated costs
- eligibility for and accessibility of welfare services
- other government policy that may affect utilisation of services.

Over the period from 1998–99 to 2003–04, total welfare services expenditure in current prices rose by 63.1%. Of the total increase, 55.0% was due to an increase in utilisation (real expenditure per person), 42.3% was due to inflation, and the remaining 2.8% was due to population growth (Figure 2.1).



For each year between 1998–99 and 2003–04, Australia’s real growth in expenditure on welfare services was greater than the overall rate of economic growth—as measured by growth in real GDP. Welfare services expenditure grew at an average of 6.8% per year, compared with an average annual growth of 3.4% for GDP (Table 2.2).

Table 2.2: Expenditure on welfare services and GDP, constant prices^(a), and rates of inflation, 1998–99 to 2003–04

Year	Expenditure on welfare services		Annual rate of price change ^(b) (per cent)	GDP		Annual rate of inflation ^(c) (per cent)
	Amount (\$ million)	Growth rate (per cent)		Amount (\$ million)	Growth rate (per cent)	
1998–99	13,867	..	..	667,168	..	..
1999–00	14,805	6.8	2.5	692,521	3.8	1.9
2000–01	15,371	3.8	3.2	707,063	2.1	5.0
2001–02	16,473	7.2	2.7	734,639	3.9	2.7
2002–03	17,756	7.8	3.5	758,147	3.2	3.0
2003–04	19,224	8.3	3.0	788,473	4.0	2.9
<i>Average annual growth rate 1998–99 to 2003–04</i>		6.8	3.3		3.4	3.1

(a) Constant price estimates of welfare services expenditure and GDP are expressed in terms of 2002–03 prices.

(b) Based on GFCE IPD and gross fixed capital formation chain price index combined.

(c) Based on IPD for GDP.

Sources: Expenditure: AIHW; GDP: ABS 2005; GFCE IPD and gross fixed capital formation chain price index: ABS unpublished.

In 2003–04, more than half of all welfare services expenditure in Australia (\$11.4 billion out of \$20.1 billion) was incurred by the non-government sector, largely by NGCSOs (\$11.2 billion) (Table 2.3).

Many welfare services expenditures—particularly expenditures by the Australian Government and the non-government sector—are not able to be allocated on a state/territory basis. An experimental state/territory distribution of those expenditures that

are able to be allocated at a jurisdictional level is available at the Institute's web site <www.aihw.gov.au>.

Table 2.3: Expenditure on welfare services, by sector incurring expenditure, current prices, 1998–99 to 2003–04 (\$ million)

	Government sector	Non-government sector		Total	Total all sectors
	Total	NGCSOs	Households ^(a)		
1998–99	6,131 ^r	5,990	207	6,197	12,327 ^r
1999–00	6,712 ^r	6,583	195	6,778	13,490 ^r
2000–01	7,011 ^r	7,260 ^r	184	7,445 ^r	14,456 ^r
2001–02	7,775 ^r	7,969	174	8,143	15,918 ^r
2002–03	8,529 ^r	9,011	216 ^r	9,227 ^r	17,756 ^r
2003–04	8,695	11,181	234	11,415	20,110

(a) Relates only to informal child care.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Sources: AIHW.

Expenditure per person

Average expenditure on welfare services per person was estimated at \$1,006 in 2003–04. This was \$107 per person higher than the estimate for 2002–03, and \$351 per person higher than in 1998–99 (Table 2.4).

Real growth in per person expenditure averaged 5.5% between 1998–99 and 2003–04.

Table 2.4: Average per person^(a) expenditure on welfare services, current and constant prices^(b), and growth rates, 1998–99 to 2003–04

Year	Amount (\$)		Growth rate (per cent)	
	Current prices	Constant prices	Current prices	Constant prices
1998–99	655 ^r	737	..	..
1999–00	708 ^r	777	8.2	5.5
2000–01	750 ^r	797	5.8	2.5
2001–02	815 ^r	843	8.7	5.8
2002–03	899 ^r	899	10.3	6.5
2003–04	1,006	961	11.9	7.0
<i>Average annual growth rate 1998–99 to 2003–04</i>			9.0	5.5

(a) Based on annual mean resident population, calculated using ABS quarterly resident population estimate.

(b) Constant price estimates of welfare services expenditure and GDP are expressed in terms of 2002–03 prices.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Source: Expenditure: AIHW; GFCE IPD, gross fixed capital formation chain price index: ABS unpublished.

2.2 Funding of welfare services in Australia

Of the estimated \$20.1 billion spent on welfare services in 2003–04, \$13.8 billion (68.7%) was funded by governments; the remaining \$6.3 billion was provided by non-government sources (Table 2.5 and Figure 2.2).

Table 2.5: Funding of welfare services, current prices, 1998–99 to 2003–04

	Government sector				Non-government sector			Total all sectors
	Australian	State and territory	Local	Total	NGCSOs	Households	Total	
Amount (\$ million)								
1998–99	3,770 ^r	4,674 ^r	242 ^r	8,688 ^r	1,368	2,271 ^r	3,639 ^r	12,327 ^r
1999–00	4,011	5,126 ^r	254 ^r	9,391 ^r	1,550	2,549 ^r	4,099 ^r	13,490 ^r
2000–01	4,329	5,514 ^r	241 ^r	10,084 ^r	1,620	2,752 ^r	4,372 ^r	14,456 ^r
2001–02	4,945	6,081 ^r	287 ^r	11,314 ^r	1,741	2,862 ^r	4,603 ^r	15,918 ^r
2002–03	5,446 ^r	6,567 ^r	487 ^{r(a)}	12,500 ^r	2,019	3,236 ^r	5,255 ^r	17,756 ^r
2003–04	6,443	6,827	536	13,806	2,930	3,373	6,304	20,110
Proportion of total funding (per cent)								
1998–99	30.6	37.9	2.0	70.5	11.1	18.4	29.5	100.0
1999–00	29.7	38.0	1.9	69.6	11.5	18.9	30.4	100.0
2000–01	29.9	38.1	1.7	69.8	11.2	19.0	30.2	100.0
2001–02	31.1	38.2	1.8	71.1	10.9	18.0	28.9	100.0
2002–03	30.7	37.0	2.7	70.4	11.4	18.2	29.6	100.0
2003–04	32.0	33.9	2.7	68.7	14.6	16.8	31.3	100.0
<i>6-year average</i>	<i>30.7</i>	<i>37.2</i>	<i>2.1</i>	<i>70.0</i>	<i>11.8</i>	<i>18.2</i>	<i>30.0</i>	<i>100.0</i>

(a) Appears to be break in series. The time series will be reviewed when additional observations become available.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Note: Components may not add to totals, due to rounding.

Sources

Australian Government: Compiled from DHAC 1999, 2000, 2001; DoHA 2002, 2003, 2004; FaCS 1999, 2000, 2001a, 2001b, 2002, 2003, 2004; Department of Immigration and Multicultural Affairs unpublished data; DVA unpublished data.

State and territory: Recurrent expenditure other than Victoria—ABS unpublished, Productivity Commission 2005; Victoria: Department of Human Services.

Local governments: Recurrent and capital expenditure—ABS unpublished public finance data.

NGCSOs: AIHW estimates based on ACROSS database and a sample of NGCSOs' financial reports and additional information from ABS 2001.

Households: Client fees for services provided by governments are based on ABS data. Client fees to NGCSOs are estimated by AIHW in the process of estimating NGCSOs' contribution. Client fees for services provided by households sector only cover child care services. Data are not available to estimate costs of services provided to older people and to people with disabilities. Estimates of client fees for child care services are based on ABS 1997, 2000, 2003.

The governments' share of total funding during 2003–04 (68.7%) was just below their average share of funding over the period 1998–99 to 2003–04 (70.0%). The remainder—31.3% in 2003–04 and averaging 30% over the period—came from non-government sources. These relative funding shares remained quite stable over the period; the government share ranging from 69.6% to 71.1%, and the non-government share from 28.9% to 31.3%.

Within the government sector, the states and territories provided, on average, 37.2% of total funding; the Australian Government, 30.7%; and local government, 2.1%. Most of the non-government funding was provided by households (18.2%) through the payment of client fees; NGCSOs provided the remaining 11.8%.

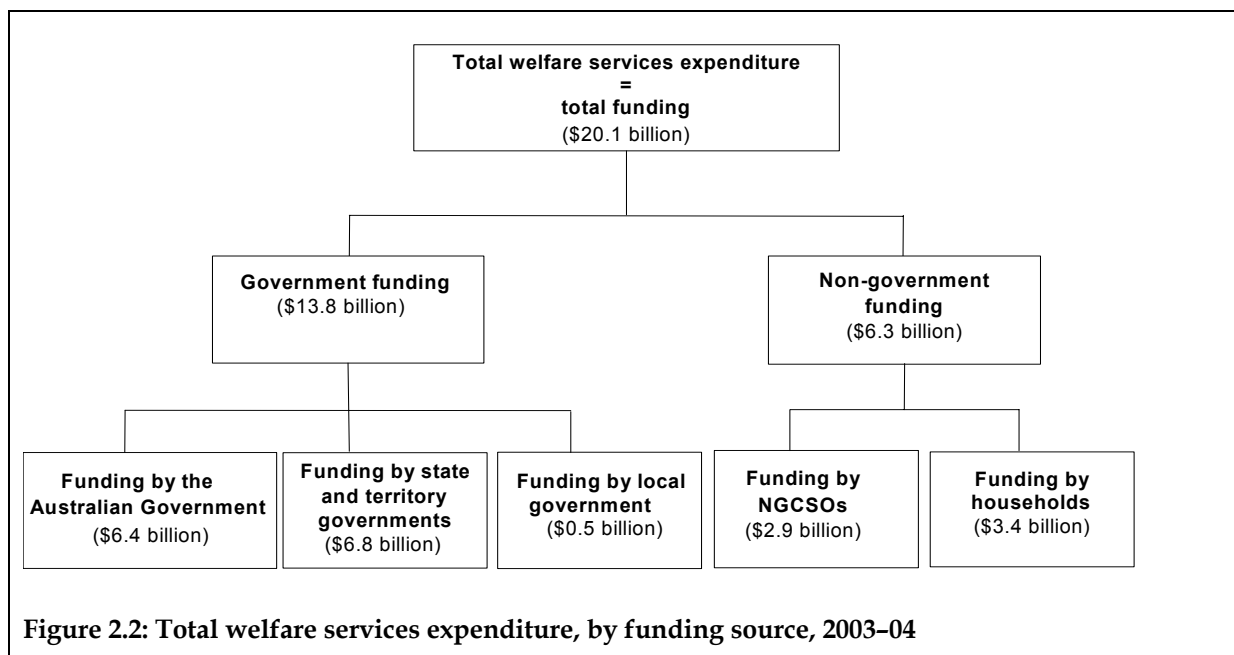


Table 2.6: Funding of welfare services, constant prices^(a), 1998–99 to 2003–04

	Government sector				Non-government sector			Total all sectors
	Australian	State and territory	Local	Total	NGCSOs	Households	Total	
Amount (\$ million)								
1998–99	4,203	5,306	273	9,783	1,536	2,549	4,085	13,868
1999–00	4,379	5,662	279	10,320	1,696	2,789	4,485	14,805
2000–01	4,591	5,878	255	10,725	1,722	2,924	4,646	15,371
2001–02	5,120	6,287	296	11,703	1,805	2,966	4,770	16,473
2002–03	5,446	6,567	498 ^(b)	12,500	2,019	3,236	5,255	17,756
2003–04	6,138	6,570	518	13,226	2,788	3,210	5,998	19,224
Growth rate (per cent)								
1998–99 to 1999–00	4.2	6.7	2.0	5.5	10.5	9.4	9.8	6.8
1999–00 to 2000–01	4.9	3.8	–8.4	3.9	1.5	4.8	3.6	3.8
2000–01 to 2001–02	11.5	6.9	16.0	9.1	4.8	1.4	2.7	7.2
2001–02 to 2002–03	6.4	4.5	64.4	6.8	11.9	9.1	10.2	7.8
2002–03 to 2003–04	12.7	—	6.3	5.8	38.1	–0.8	14.1	8.3
<i>Average annual growth rate 1998–99 to 2003–04</i>	7.9	4.4	13.6	6.2	12.7	4.7	8.0	6.8

(a) Constant price welfare services expenditure for 1998–99 to 2003–04 is expressed in terms of 2002–03 prices.

(b) Appears to be break in series. The time series will be reviewed when additional observations become available.

Note: Components may not add to totals, due to rounding.

Sources: Expenditure: as for Table 2.5; GFCF deflator and gross fixed capital formation chain price index: ABS unpublished.

Between 1998–99 and 2003–04, funding for welfare services by non-government grew faster (average of 8.0% per year) than did government funding, which averaged 6.2% per year (Table 2.6).

The highest single growth in funding for welfare services was between 2002–03 and 2003–04 (8.3%). The largest components of that growth were a 38.1% increase in funding by NGCSOs

and a 12.7% increase in the Australian Government's funding. These changes were accompanied by a 0.8% decrease in the estimated level of client fee funding for services provided by governments and NGCSOs.

Government funding, by welfare services categories

The analysis in this section is limited to recurrent funding by two levels of government: the Australian Government and the state and territory governments. This is because estimates of expenditure on capital (which accounts for about 2% of total expenditure), and local government expenditure (2.7% of total expenditure in 2003-04) cannot reliably be split across the different welfare service categories within the GPC.

Distribution of government funding

On average, 28.8% of recurrent government funding of welfare services between 1998-99 and 2003-04 was directed to people with disabilities; a slightly lower average proportion (28%) went to families and children; and 23.4% to services for older people. The remaining 19.9% was for other welfare services (nec) (Table 2.7).

Between 1998-99 and 2003-04, state and territory governments provided more than half the recurrent government funding for welfare services (average 54.4%) (derived from Table 2.7), with the Australian Government providing the remaining 45.6%.

State and territory governments

More than one-third of state and territory welfare services funding in 2003-04 was to fund services for people with disabilities (34.8%); about one-quarter each was for other welfare services (nec) (27.3%) and families and children (25.1%). The remaining 12.7% was for services for older people (Table 2.7).

The shares of funding directed at services for people with disabilities and for older people in 2003-04 were similar to the longer-term patterns in respect of those service types – as measured across the whole period 1998-99 to 2003-04 – which averaged 34.0% and 13.1%, respectively. For the other two funding categories, services for families and children and other welfare services, the 2003-04 funding shares were somewhat different from their respective longer-term averages (23.8% and 29.1%).

Table 2.7: Recurrent government funding^(a) for welfare services, by welfare services category,^(b) current prices, 1998–99 to 2003–04

	Australian Government		State and territory governments		Total	
	Amount (\$ million)	Share of total (%)	Amount (\$ million)	Share of total (%)	Amount (\$ million)	Share of total (%)
Family and child welfare services						
1998–99	1,140	31.0	973 ^r	21.3	2,113 ^r	25.6
1999–00	1,398	35.3	1,096 ^r	21.9	2,494 ^r	27.8
2000–01	1,360 ^(c)	32.0	1,218 ^r	22.8	2,579 ^r	26.9
2001–02	1,685	34.5	1,513 ^r	25.4	3,199 ^r	29.5
2002–03	1,882	35.0	1,686 ^r	26.1	3,568 ^r	30.2
2003–04	1,938	30.5	1,686	25.1	3,624	27.7
<i>6-year average</i>	..	33.1	..	23.8	..	28.0
Welfare services for older people						
1998–99	1,324	36.1	549 ^r	12.0	1,873 ^r	22.7
1999–00	1,356	34.3	701 ^r	14.0	2,058 ^r	23.0
2000–01	1,539	36.2	719 ^r	13.5	2,258 ^r	23.5
2001–02	1,629	33.4	808 ^r	13.6	2,436 ^r	22.5
2002–03	1,811	33.7	816 ^r	12.6	2,627 ^r	22.2
2003–04	2,615	41.1	854	12.7	3,469	26.5
<i>6-year average</i>	..	35.8	..	13.1	..	23.4
Welfare services for people with disabilities						
1998–99	867	23.6	1,590 ^r	34.8	2,457	29.8
1999–00	887	22.4	1,691 ^r	33.8	2,578	28.8
2000–01	985	23.2	1,813 ^r	34.0	2,798	29.2
2001–02	1,121	23.0	1,964 ^r	33.0	3,085	28.5
2002–03	1,189	22.1	2,192 ^r	33.9	3,381	28.6
2003–04	1,306	20.5	2,336	34.8	3,642	27.9
<i>6-year average</i>	..	22.5	..	34.0	..	28.8
Other welfare services (nec)						
1998–99	341	9.3	1,462 ^r	32.0	1,803 ^r	21.9
1999–00	316	8.0	1,521 ^r	30.4	1,837 ^r	20.5
2000–01	368	8.7	1,586 ^r	29.7	1,954 ^r	20.4
2001–02	443	9.1	1,673 ^r	28.1	2,116 ^r	19.5
2002–03	488 ^r	9.1	1,768 ^r	27.4	2,257 ^r	19.1
2003–04	502	7.9	1,831	27.3	2,332	17.8
<i>6-year average</i>	..	8.7	..	29.1	..	19.9
Total recurrent						
1998–99	3,672	100.0	4,575 ^r	100.0	8,246 ^r	100.0
1999–00	3,957	100.0	5,009 ^r	100.0	8,966 ^r	100.0
2000–01	4,253	100.0	5,337 ^r	100.0	9,590 ^r	100.0
2001–02	4,878	100.0	5,958 ^r	100.0	10,836 ^r	100.0
2002–03	5,370 ^r	100.0	6,463 ^r	100.0	11,833 ^r	100.0
2003–04	6,360	100.0	6,707	100.0	13,067	100.0

(a) Excludes funding for capital purposes.

(b) See Chapter 6 for definition of the four welfare services categories.

(c) See Box 2.1.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Sources: As for Table 2.5.

Australian Government

Recurrent funding for welfare services by the Australian Government in 2003–04 was estimated at \$6,360 million, up \$990 million from 2002–03 (Table 2.7).

This was mainly related to funding programs administered at the time by the Departments of:

- Family and Community Services
- Health and Ageing
- Veterans' Affairs
- Immigration and Multicultural and Indigenous Affairs.

That funding relates to both Australian Government administered expenditure and funding provided to state, territory and local governments by way of specific purpose payments (SPPs) and to NGCSOs to support welfare services that governments and the NGCSOs provide to the community.

Services for older people (35.8% over the period from 1998–99 to 2003–04) and services for families and children (33.1%) together attracted more than two-thirds of all funding by the Australian Government. Services for people with disabilities attracted an average of 22.5% of Australian Government funding, while 8.7% funded other welfare services.

Growth in government recurrent funding, by welfare services category

Recurrent funding by the Australian Government and state and territory governments for welfare services grew, in real terms, at an average of 6.0% per year between 1998–99 and 2003–04. The two highest areas of real growth were services for older people and services for families and children (up 9.4% and 7.8% per year, respectively). Services for people with disabilities grew by 4.6% per year; other welfare services grew at an average of 1.8% per year (Table 2.8).

State and territory governments

State and territory governments' funding of welfare services grew, in real terms, at an average of 4.4% per year between 1998–99 and 2003–04.

While funding of services for people with disabilities was the largest component of state and territory government welfare funding, the fastest growing component was services for families and children which grew, on average, at 7.9% per year – slightly more than the average growth of Australian Government funding (7.6%).

Funding of services for older people grew at 5.6%; and services for people with disabilities at an average of 4.4% per year from 1998–99 to 2003–04.

State and territory government funding of other welfare services had a relatively low rate of growth at 1.2% over the period, and showed a marginal real decline at 0.4% in the last year – 2003–04.

Australian Government

Average real growth in the Australian Government's recurrent funding for welfare services, in the period 1998–99 to 2003–04, was estimated at 8.0% per year. But growth was not consistent across all years. The lowest single year's growth (4.4%) occurred between 1999–00 and 2000–01 and the highest (12.7%) was between 2002–03 and 2003–04 (Table 2.8).

Across the whole period 1998–99 to 2003–04, funding of services for older people was the largest component (average of 35.8%) of the Australian Government's welfare funding

(Table 2.7); it was also the fastest growing at 10.9% per year between 1998–99 and 2003–04 (Table 2.8).

The highest single year's real growth in funding of services for older people was between 2002–03 and 2003–04 (37.4%). This was mainly due to a large increase in funding by the Department of Health and Ageing for programs aimed at older Australians – from \$5.6 billion in 2002–03 to \$6.5 billion in 2003–04 (in current prices). While much of this increase was on subsidies for high-level residential care, which is regarded as 'health', the welfare services component of spending on the residential care subsidy – low-level residential care – increased by 31.4% – from \$561 million to \$737 million. Funding for community care and support for carers increased in that year by \$0.1 billion – from \$1.1 billion in 2002–03 to \$1.2 billion (DoHA 2004:128).

Funding of welfare services for families and children grew, in real terms, at an average of 7.6% per year between 1998–99 and 2003–04. However, there were also wide annual fluctuations in that growth.

For example, between 1998–99 and 1999–00 funding grew, in real terms, by 19.6% – mainly in funding for child care assistance. In current price terms, funding for child care assistance went from \$635 million in 1998–99 to \$732 million in 1999–00. Current funding of other services for families with children also rose markedly, from \$155 million to \$179 million (FaCS 1999:183; FaCS 2000:192).

Following that increase in funding, in 2000–01 real funding of services for families and children fell by 5.5%. This was largely because some welfare services expenditures were replaced by social security payments following the restructure of family assistance from 1 July 2000 as part of the government's tax reform package (Box 2.1).

Box 2.1: Tax reform package – restructure of family assistance

From 1 July 2000, the Australian government combined 12 existing types of assistance for families into three main types administered through the tax and social security systems. These were:

- *Family tax benefits (part A)*
- *Family tax benefits (part B)*
- *Child care benefits.*

The next year (2001–02) saw funding of services for families and children increase by 20.8%. This happened across the whole range of child care and child welfare programs. For example, the government's funding for family assistance increased from \$42.0 million, in 2000–01, to \$54.0 million, while child care support went from \$1,210 million to \$1,515 million.

Funding of services for people with disabilities grew, in real terms, at an average of 5.0% per year between 1998–99 and 2003–04. Real annual growth ranged from –0.3 in 1999–00 to 11.0% in 2001–02. The high real growth from 2000–01 to 2001–02 was largely due to an increase in funding under the Commonwealth/State Disability Agreement. In current prices it went from \$427.7 million to \$501.4 million.

Growth in funding for other welfare services fluctuated from year to year. Because of the small size of that funding, relative to other categories – \$502 million out of a total funding by the Australian Government of \$6,360 million in 2003–04 – these yearly fluctuations had little impact on trends in total funding for welfare services.

Table 2.8: Recurrent government funding^(a) for welfare services, by welfare services category^(b), constant prices^(c), and growth rates, 1998–99 to 2003–04

	Australian Government		State and territory governments		Total	
	Amount (\$ million)	Growth (%)	Amount (\$ million)	Growth (%)	Amount (\$ million)	Growth (%)
Family and child welfare services						
1998–99	1,279	..	1,107	..	2,386	..
1999–00	1,529	19.6	1,212	9.5	2,741	14.9
2000–01	1,446 ^(d)	-5.5	1,300	7.3	2,746	0.2
2001–02	1,746	20.8	1,565	20.4	3,312	20.6
2002–03	1,882	7.8	1,686	7.7	3,568	7.7
2003–04	1,844	2.0	1,622	-3.8	3,466	-2.9
<i>Annual growth rate 1998–99 to 2003–04</i>		7.6		7.9		7.8
Welfare services for older people						
1998–99	1,486	..	625	..	2,111	..
1999–00	1,484	-0.1	777	24.3	2,261	7.1
2000–01	1,636	10.2	768	-1.2	2,404	6.3
2001–02	1,688	3.2	835	8.8	2,523	5.0
2002–03	1,811	7.3	816	-2.3	2,627	4.1
2003–04	2,488	37.4	821	0.6	3,309	25.9
<i>Annual growth rate 1998–99 to 2003–04</i>		10.9		5.6		9.4
Welfare services for people with disabilities						
1998–99	973	..	1,808	..	2,782	..
1999–00	970	-0.3	1,871	3.5	2,841	2.2
2000–01	1,047	7.9	1,936	3.5	2,983	5.0
2001–02	1,162	11.0	2,031	4.9	3,193	7.0
2002–03	1,189	2.3	2,192	7.9	3,381	5.9
2003–04	1,243	4.5	2,247	2.5	3,490	3.2
<i>Annual growth rate 1998–99 to 2003–04</i>		5.0		4.4		4.6
Other welfare services (nec)						
1998–99	383	..	1,661	..	2,044	..
1999–00	345	-9.7	1,680	1.2	2,026	-0.9
2000–01	391	13.2	1,692	0.7	2,083	2.8
2001–02	459	17.3	1,730	2.2	2,189	5.1
2002–03	488	6.4	1,768	2.2	2,257	3.1
2003–04	477	-2.3	1,761	-0.4	2,238	-0.8
<i>Annual growth rate 1998–99 to 2003–04</i>		4.5		1.2		1.8
Total recurrent						
1998–99	4,121	..	5,201	..	9,322	..
1999–00	4,329	5.0	5,541	6.5	9,570	5.9
2000–01	4,520	4.4	5,697	2.8	10,217	3.5
2001–02	5,055	11.8	6,162	6.2	11,218	9.8
2002–03	5,370	6.2	6,463	4.9	11,833	5.5
2003–04	6,052	12.7	6,451	-0.2	12,503	5.7
<i>Annual growth rate 1998–99 to 2003–04</i>		8.0		4.4		6.0

(a) Excludes funding for capital purposes.

(b) See Chapter 6 for definition of the four welfare services categories.

(c) Constant price social expenditure for 1998–99 to 2003–04 is expressed in terms of 2002–03 prices.

(d) See Box 2.1.

Sources: As for Table 2.5.

State and territory comparisons

This part of the analysis refers only to funding of welfare services by state and territory governments from their own resources. This is made up of their funding of those services that their own agencies provide, plus the funding they provide to support services provided by NGCSOs and by local government authorities. State and territory government funding is net of both the Australian Government's welfare SPPs and client fees revenue.

The estimates of funding for two GPC categories – services for older people; and services for people with disabilities – have been combined because of limitations in the supporting data for some jurisdictions.

There were large variations across jurisdictions in terms of both the total amount spent and the distribution of that funding across service types. These variations largely reflect differences in:

- provision and funding policies of the various governments
- the funding roles assumed by both NGCSOs and local governments in the different jurisdictions
- demography, including age, sex and ethnic make-up
- inconsistency in the boundaries around the types of services that different states and territories classify as welfare services.

Also some of these factors have changed within states and territories over time, and this affects the trends within jurisdictions.

State and territory governments' own source recurrent funding of welfare services was estimated at \$6.7 billion in 2003–04 (Table A2).

Aggregate funding by individual jurisdictions was broadly in line with their population sizes (Figure 2.3). For example, in New South Wales, which had a population of almost 6.7 million – 33.7% of the national population – in 2003–04, the state government provided an estimated \$2.5 billion in funding (36.8% of the total estimated funding by all states and territories); the Northern Territory, with an estimated population of 198,100 (1.0%), provided an estimated \$71 million in welfare services funding (1.1% of the total funding by all states and territories).

Distribution of recurrent funding across welfare service categories

Over the period 1998–99 to 2003–04, almost half (47.1%) of the funding provided by state and territory governments went to services for older people and people with disabilities. A further 23.8% funded services for families and children and the remainder (29.1%) was for other welfare services (nec) (Table 2.9 and Figure 2.4).

On a state-by-state basis, that distribution of funding varied markedly.

The two territories, with population structures that were younger than the average, spent above the national average proportion on services for families and children (Northern Territory – 41.1% and Australian Capital Territory – 37.5%). Tasmania, on the other hand, with its relatively older population structure, had the lowest proportion of its funding directed to services for families and children (12.5%).

In the case of services for older people and people with disabilities, combined, Victoria had the highest share (58.0%), and New South Wales (39.2%) the lowest.

New South Wales, where 37.6% of the state government’s own funding for welfare services was allocated to the category other welfare services (nec), had the highest proportion of total funding directed to that area; the Northern Territory (14.2%) had the lowest.

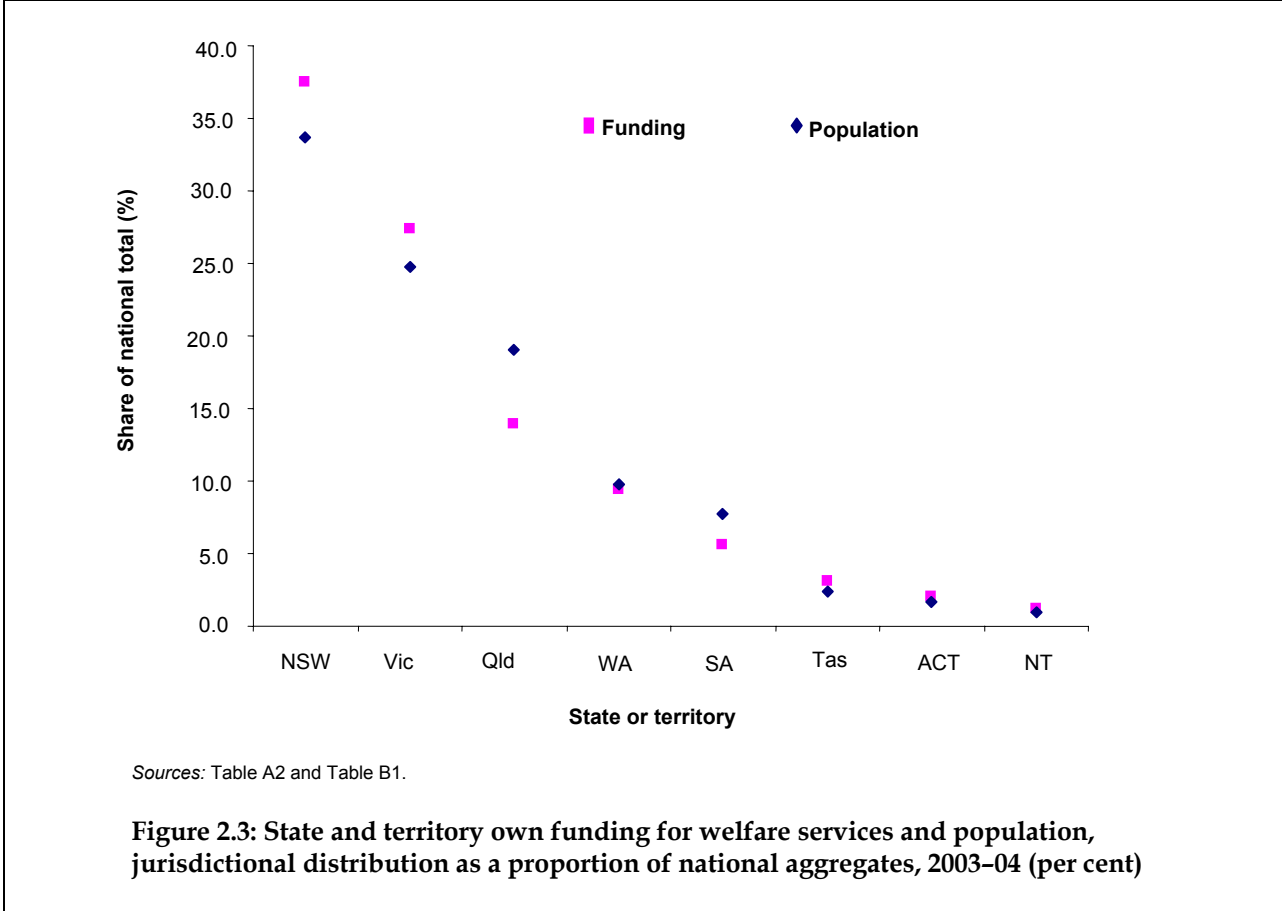
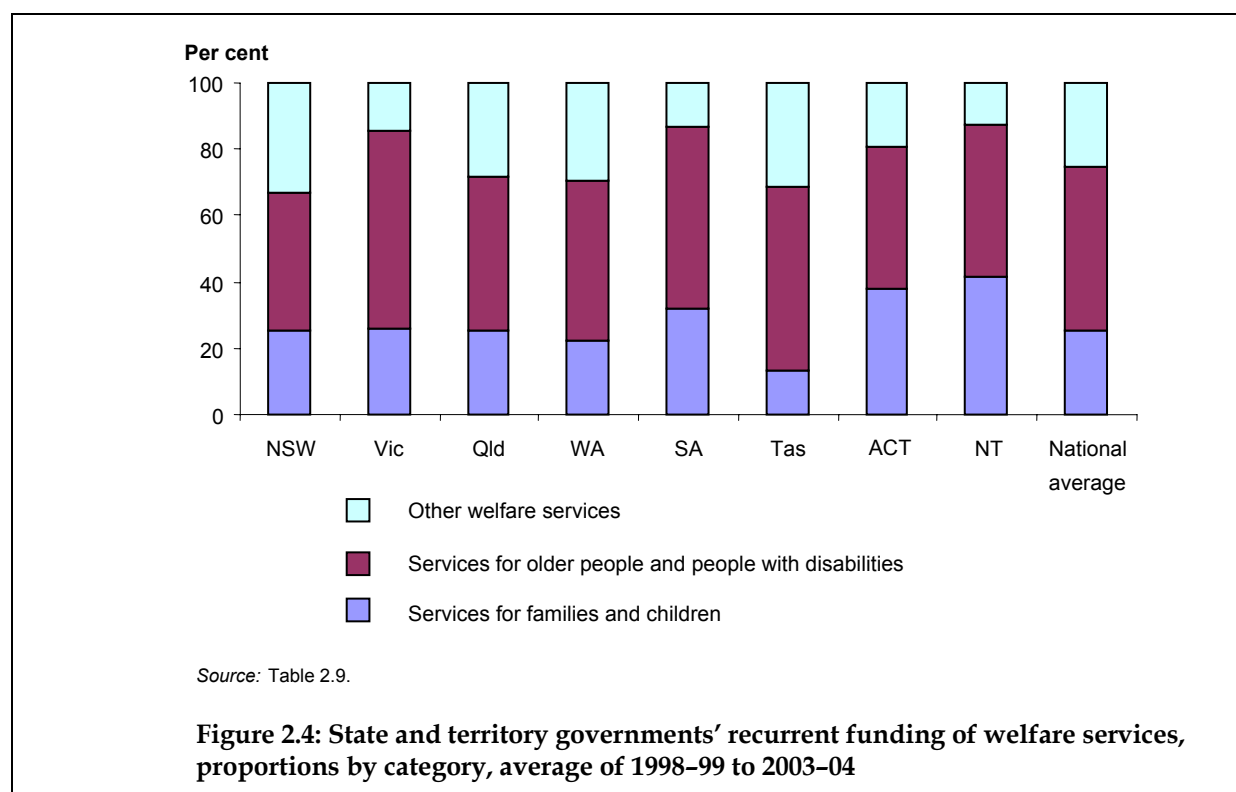


Table 2.9: Recurrent funding of welfare services, by state and territory governments, current prices, 1998–99 to 2003–04 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Proportion of total state and territory welfare services expenditure									
Family and child welfare services									
1998–99	20.1	23.3	17.6	15.1	29.4	16.4	39.6	44.6	21.3
1999–00	20.7	21.8	23.6	17.7	29.7	12.2	38.9	39.0	21.9
2000–01	21.7	23.0	24.2	17.7	29.9	12.2	42.3	40.9	22.8
2001–02	25.2	23.3	23.8	29.6	33.0	10.8	43.5	41.4	25.4
2002–03	28.1	23.0	24.9	28.6	30.8	13.3	27.2	39.9	26.1
2003–04	23.7	22.8	26.0	29.8	38.2	10.2	33.4	40.7	25.1
<i>6-year average</i>	<i>23.2</i>	<i>22.9</i>	<i>23.3</i>	<i>23.1</i>	<i>31.9</i>	<i>12.5</i>	<i>37.5</i>	<i>41.1</i>	<i>23.8</i>
Welfare services for older people and people with disabilities, combined									
1998–99	38.7	55.5	46.8	50.1	54.6	53.4	36.7	36.9	46.8
1999–00	39.5	57.9	38.9	54.3	54.3	58.5	40.6	43.5	47.8
2000–01	39.5	57.6	39.3	53.4	54.0	53.9	39.1	45.3	47.4
2001–02	38.5	58.6	39.3	45.8	51.8	54.4	43.3	46.1	46.5
2002–03	38.3	59.1	39.7	46.1	53.5	53.8	45.9	48.0	46.6
2003–04	40.6	59.4	41.6	46.5	50.4	50.1	39.7	48.3	47.6
<i>6-year average</i>	<i>39.2</i>	<i>58.0</i>	<i>40.9</i>	<i>49.4</i>	<i>53.1</i>	<i>54.0</i>	<i>40.9</i>	<i>44.7</i>	<i>47.1</i>
Other welfare services (nec)									
1998–99	41.1	21.3	35.6	34.8	16.0	30.2	23.7	18.4	32.0
1999–00	39.9	20.3	37.4	28.0	16.0	29.3	20.5	17.5	30.4
2000–01	38.7	19.3	36.5	28.8	16.1	33.9	18.6	13.8	29.7
2001–02	36.4	18.1	36.9	24.6	15.2	34.8	13.2	12.5	28.1
2002–03	33.7	18.0	35.4	25.3	15.6	33.0	26.8	12.1	27.4
2003–04	35.6	17.8	32.4	23.7	11.4	39.7	26.9	10.9	27.3
<i>6-year average</i>	<i>37.6</i>	<i>19.1</i>	<i>35.7</i>	<i>27.5</i>	<i>15.0</i>	<i>33.5</i>	<i>21.6</i>	<i>14.2</i>	<i>29.1</i>

Sources: As for Table 2.5.



Average funding per person

Funding of recurrent expenditure on welfare services by all state and territory governments averaged \$335 per person in 2003–04 (Table 2.10). The states with the lowest average government funding were Queensland (\$237) and South Australia (\$256). Tasmania (\$422) had the highest.

Table 2.10: Average state and territory government funding per person for recurrent expenditure on welfare services, by state and territory, current prices, 1998–99 to 2003–04 (\$)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
Family and child welfare services									
1998–99	57	62	28	33	61	57	114	72	52
1999–00	59	71	45	37	62	41	98	70	58
2000–01	66	79	47	40	62	40	113	89	63
2001–02	85	85	49	85	75	36	150	97	77
2002–03	105	86	55	88	69	52	105	139	85
2003–04	87	88	61	97	98	43	129	145	84
Welfare services for older people and people with disabilities									
1998–99	109	147	75	108	113	185	105	60	114
1999–00	112	188	74	114	113	196	102	78	126
2000–01	120	197	76	120	112	176	105	99	131
2001–02	130	213	80	132	118	180	149	108	142
2002–03	143	221	88	141	120	212	177	167	152
2003–04	149	228	98	152	129	211	154	172	160
Other welfare services (nec)									
1998–99	116	56	57	75	33	105	68	30	78
1999–00	113	66	71	59	33	98	51	31	80
2000–01	118	66	71	65	33	111	50	30	82
2001–02	123	66	75	71	34	116	45	29	86
2002–03	126	67	78	78	35	130	103	42	89
2003–04	131	68	77	77	29	168	104	39	92
Total welfare services									
1998–99	281	265	160	216	208	347	287	161	243
1999–00	284	325	191	209	207	335	251	180	263
2000–01	305	342	194	225	207	326	258	218	277
2001–02	339	364	204	288	227	332	345	233	305
2002–03	374	374	221	307	224	394	385	347	327
2003–04	368	384	237	326	256	422	387	356	335

Sources: Expenditure: Table 6.1; population: calculated using quarterly population estimates from the ABS.

Funding by the non-government sector

The non-government sector comprises NGCSOs and households. The estimates of funding by NGCSOs are residuals and relate to those portions of their expenditure on welfare services they provide that are not covered by funding from governments or by fees charged to clients (see the 'Own source' column in Table 2.11). Funding by households refers to the fees that clients within the households sector pay to all service providers – government, NGCSOs and other households (Table 2.13).

Funding by NGCSOs

The NGCSOs include both for-profit and not-for-profit organisations. 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.

NGCSOs' own funding comes from a variety of sources, including donations, legacies and bequests, fundraising activities and the proceeds of 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 earnings on investments and profits from sale of assets. Own source funding does not include clients' fees, which are regarded as funding by households.

Estimates of funding of welfare services by NGCSOs are based on financial data provided by a number of NGCSOs. These data were collected by the Australian Council of Social Service, for small to medium sized organisations, and by the Institute, for larger organisations.

NGCSOs' expenditure on welfare services was estimated at \$11.2 billion in 2003–04 (Table 2.11). Almost half (48.8%) of this was funded by governments; just under a quarter (24.9%) by client fees; and the remainder by the NGCSOs' out of their own funding sources. The relative shares of funding met by the three funding source types had remained fairly constant between 1998–99 and 2002–03. But in 2003–04 the share of funding from client fees fell away substantially, from an average of just over 29% to 24.9%. This drop was offset by a large increase in the proportion met by the NGCSOs out of their own resources. Funding by NGCSOs accounted for 26.2% of their total expenditure in 2003–04, compared with 22.4% in the previous year and 22.8% in 1998–99.

Table 2.11: Expenditure by NGCSOs and sources of funding, current prices, 1998–99 to 2003–04

Year	Amount in current prices (\$ million)				Share of funding		
	NGCSOs' expenditure	Funding source			Funding source		
		Government ^(a)	Client	Own source	Government ^(a)	Client	Own source
1998–99	5,989 ^r	2,805	1,816	1,368	46.8	30.3	22.8
1999–00	6,582 ^r	2,951	2,081	1,550	44.8	31.6	23.5
2000–01	7,260 ^r	3,383 ^r	2,257	1,620	46.6	31.1	22.3
2001–02	7,969	3,887	2,341	1,741	48.8	29.4	21.8
2002–03	9,011	4,320	2,672	2,019	47.9	29.7	22.4
2003–04	11,181	5,461	2,790	2,930	48.8	24.9	26.2
<i>Average share of funding 1998–99 to 2003–04 (per cent)</i>					47.5	29.1	23.4

(a) Funding to NGCSOs from all three levels of government.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Sources: As for Table 2.5.

NGCSOs' expenditure grew at 9.6% per year in real terms between 1998–99 and 2003–04 (Table 2.12). Funding of these expenditure from NGCSOs' own source grew more rapidly (at 12.7%) than from government (at 10.5%) and from client fees (at 5.4%). The single year's highest growth of expenditure by NGCSOs at 18.1% was between 2002–03 and 2003–04 (derived from Table 2.12). This rapid growth in expenditure was attributable to rapid growth of funding from NGCSOs' own source (at 38.1%) and from governments (at 20.3%); funding from clients, though grew in nominal terms, fell by 0.7% in 2003–04.

Table 2.12: Funding of expenditure by NGCSOs, constant prices, 1998–99 to 2003–04

Year	Amount in current prices (\$ million)				Growth (per cent)		
	NGCSOs' expenditure	Funding source			Funding source		
		Government ^(a)	Client	Own source	Government ^(a)	Client	Own source
1998–99	6,722	3,148	2,038	1,535	..	..	..
1999–00	7,201	3,229	2,277	1,696	2.6	11.7	10.5
2000–01	7,715	3,595	2,399	1,722	11.3	5.3	1.5
2001–02	8,258	4,028	2,426	1,804	12.0	1.1	4.8
2002–03	9,011	4,320	2,672	2,019	7.2	10.1	11.9
2003–04	10,638	5,196	2,654	2,788	20.3	–0.7	38.1
<i>Average growth rate 1998–99 to 2003–04</i>	9.6				10.5	5.4	12.7

(a) Funding to NGCSOs from all three levels of government.

Sources: As for Table 2.5.

Funding by households

Households have multiple roles in relation to welfare services. They are providers and users of welfare services and, because they pay fees for some services they use, they are also funders of services. This funding is well defined in respect of services provided by NGCSOs and governments. However, many services are provided by informal carers in the household sector and some of these also attract fees. The only client fees data available for these informal services, however, are in respect of child care services and these totalled \$234 million in 2003–04. 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.

Funding of welfare services through client fee revenues was estimated at \$3.4 billion in 2003–04. Of this, 82.7% was for services provided by NGCSOs, 10.4% for government provided services and 6.9% for informal child care services. These relative shares remained fairly constant over the whole period from 1998–99 to 2003–04 (Table 2.13).

Table 2.13: Client fees for welfare services, current prices, 1998–99 to 2003–04

Year	Providers of services			Total
	Governments	NGCSOs	Households ^(a)	
Amount (\$ million)				
1998–99	249 ^r	1,816	207	2,271 ^r
1999–00	273 ^r	2,081	195	2,549 ^r
2000–01	310 ^r	2,257	184	2,752 ^r
2001–02	347 ^r	2,341	174	2,862 ^r
2002–03	348 ^r	2,672	216 ^r	3,236 ^r
2003–04	350	2,790	234	3,373
Proportion (per cent)				
1998–99	10.9	80.0	9.1	100.0
1999–00	10.7	81.6	7.7	100.0
2000–01	11.3	82.0	6.7	100.0
2001–02	12.1	81.8	6.1	100.0
2002–03	10.8	82.6	6.7	100.0
2003–04	10.4	82.7	6.9	100.0
<i>6-year average</i>	<i>11.0</i>	<i>81.9</i>	<i>7.1</i>	<i>100.0</i>

(a) Relates only to informal child care.

r Revised since publication of *Welfare expenditure Australia 2002–03*.

Sources: As for Table 2.5.

3 Concessions to households

The provision of concessions is an important form of support for recipients of welfare services in Australia. There are two very broad categories of such concessions – those that are directed to households (individuals) through reduced fees and charges for services and through some tax expenditures; and those that flow to NGCSO providers of welfare services, also through tax expenditures for organisations.

The major form of concession to organisations has been through their exemption from taxes on inputs. In the past, this was largely exemption from liability for wholesale sales taxes. Since the abolition of wholesale sales taxes and the introduction of the Goods and Services Tax (GST), the Australian Treasury has not produced estimates of the tax expenditures resulting from the exemption of eligible welfare service organisations from liability for GST. Consequently, this publication does not include estimates of concessions flowing to NGCSO providers of welfare services.

This publication, for the first time, includes estimates of Australian Government tax expenditures to individual taxpayers. The other form of Australian Government concession expenditure is the provision of SPPs to assist states and territories to expand their core fringe benefits to part-pensioners.

Expenditure on concessions by state and territory governments and local government authorities continue to be reported as in previous publications in this series.

Total concessions to households in 2003–04 (including the Australian Government’s tax expenditures) were estimated at \$22.2 billion. Most of this (92.8%) was in the form of Australian Government social tax expenditures for individuals (Table 3.1).

Table 3.1: Government funding of concessions and tax expenditures, by source of funds, current prices, 1998–99 to 2003–04 (\$ million)

Source of funds	Year					
	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04
Australian Government						
Tax expenditures for individuals ^(a)	15,130	15,890	17,770	17,950	19,068	20,648
SPPs for extension of fringe benefits ^(b)	152	155	164	171	178	185
<i>Total Australian Government funding</i>	<i>15,282</i>	<i>16,045</i>	<i>17,934</i>	<i>18,121</i>	<i>19,246</i>	<i>20,833</i>
States and territories and local government ^(b)	1,120	1,158	1,203	1,295	1,316	1,412
All funding sources	16,402	17,203	19,137	19,416	20,562	22,245

(a) Not included in welfare services expenditure.

(b) Included in welfare services expenditure.

Sources: Treasury 2003, 2004 and 2005.

3.1 Concessions through state and territory governments and local government authorities

Concessions to households delivered through state/territory and local government authorities are broadly described in terms of 'core' and 'non-core' concessions.¹ This publication reports only estimates of expenditure on core concessions.

The core concessions are those that apply generally across all states and territories and are supported by state or territory government subsidies that allow responsible authorities (for example, public utilities, local governments, etc.) to make them available to eligible people.

The Australian Government provides specific purpose payments to states and territories, under bilateral agreements. These require the states and territories concerned to extend eligibility for core concessions to part-pensioners.

Recipients of social security payments gain access to core concessions through holding a Pensioner Concession Card (PCC). In some circumstances, some Health Care Card (HCC) and Commonwealth Senior Health Care Card (CSHC) 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. HCC, for example, are short term and subject to review every 3–6 months, while the PCC is issued annually to pensioners and certain older benefit recipients who have received the 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.

The core concessions to households are subsidies on charges for:

- energy
- public transport
- water/sewerage services
- local government rates
- motor vehicle registration fees.

The total value of core concessions in 2003–04 was estimated at \$1.6 billion (Table 3.2). Of this, the states and territories provided an estimated \$1.4 billion. The rest was funded by the Australian Government through SPPs for extension of fringe benefits to part-pensioners, mentioned earlier. The net funding of core concessions by state and territory governments – that is, after deducting the SPPs from the Australian Government – has been included in the estimates of state and territory government welfare services expenditure and funding throughout this publication. On average, they represented about 12% of total funding on welfare services by state and territory governments over the period 1998–99 to 2003–04 (derived from Tables 2.7 and 3.2).

1 Non-core concessions include pet registration, gas bills, country/regional rail and/or bus, or ship/ferry services, drivers' licences, emergency service levy, fire service levy – urban and rural, land rent for residential lease, redirect postal services, telephone, stamp duty on property, financial institution debit tax exemption.

Table 3.2: State and territory core concessions expenditure, by concession category, current prices, 1998–99 to 2003–04 (\$ million)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total states and territories
Electricity									
1998–99	59	42	33	19	13	7	3	3	178
1999–00	61	69	35	18	13	10	3	3	213
2000–01	66	79	37	19	14	10	3	2	229
2001–02	93	80	41	20	14	10	4	2	263
2002–03	73	89	45	21	14	10	4	3	259
2003–04	77	106	48	21	8	14	5	3	282
Public transport									
1998–99	249	53	43	30	13	19	4	1	412
1999–00	231	56	48	30	13	19	4	1	403
2000–01	234	59	50	40	14	19	4	2	421
2001–02	228	62	56	43	14	20	5	2	429
2002–03	233	64	56	42	15	21	5	2	439
2003–04	237	67	63	46	17	23	5	2	461
Water and sewerage									
1998–99	46	61	—	28	23	—	2	—	160
1999–00	46	62	—	28	23	—	3	—	162
2000–01	59	64	—	30	23	—	3	—	179
2001–02	65	61	—	36	24	—	3	—	189
2002–03	67	58	—	38	23	—	4	1	191
2003–04	76	65	—	40	23	—	6	1	211
Council rates									
1998–99	71	54	38	21	22	10	3	—	221
1999–00	71	55	39	23	23	12	3	—	226
2000–01	72	49	38	24	23	12	3	1	221
2001–02	74	49	41	34	32	14	4	1	248
2002–03	74	57	41	38	28	15	4	1	258
2003–04	75	55	47	45	31	14	4	1	271
Motor vehicle registration									
1998–99	113	102	38	35	8	2	2	—	301
1999–00	118	102	40	37	9	2	2	1	310
2000–01	123	99	43	39	10	2	2	1	318
2001–02	130	108	43	42	10	2	2	1	336
2002–03	143	102	45	43	11	2	1	1	348
2003–04	150	112	48	46	11	2	2	1	372
Total, including Australian Government funding through SPPs for extension of fringe benefits^f									
1998–99	539	312	153	132	79	39	14	5	1,272
1999–00	528	344	162	136	80	43	15	6	1,313
2000–01	554	349	167	150	83	43	16	5	1,368
2001–02	589	360	181	174	94	46	17	5	1,466
2002–03	590	371	187	183	91	47	18	7	1,494
2003–04	616	406	205	198	90	54	22	8	1,597
Net state and territory funding, excluding Australian Government funding through SPPs^f									
1998–99	486	274	126	119	64	34	13	4	1,120
1999–00	474	305	135	122	65	38	14	5	1,158
2000–01	495	308	139	136	67	38	15	5	1,203
2001–02	530	317	152	159	77	40	17	4	1,295
2002–03	528	377	156	168	73	42	16	6	1,316
2003–04	551	360	173	182	71	48	20	7	1,412

Sources: As for Table 2.5.

3.2 Australian Government tax expenditures

In order to determine that tax expenditures have been incurred and their values, the Australian Treasury establishes benchmarks against which the particular incomes are compared. Those benchmarks describe the conditions or alternative treatments that might apply in the absence of the concessions that give rise to the tax expenditures. For example, in the case of the tax expenditure that arises as a result of the rebate on medical expenses greater than \$1,500, the benchmark situation would be that no such rebate was payable. Consequently, the whole of the rebate allowed is regarded as a tax expenditure.

Table 3.3: Australian Government tax expenditures to individual taxpayers, current prices, 1998–99 to 2003–04 (\$ million)

Tax expenditure type	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04
Concessional taxation of funded superannuation	10,100	10,205	9,390	9,330	10,460	11,500
Concessional taxation of unfunded superannuation lump sums	..	470	530	530	530	530
<i>Total superannuation concessions</i>	<i>10,100</i>	<i>10,675</i>	<i>9,920</i>	<i>9,860</i>	<i>10,990</i>	<i>12,030</i>
Transitional tax exemption for certain life insurance management fees	..	—	180	270	240	240
Concessional treatment of non-superannuation termination benefits	1,130	1,050	970	910	930	850
Capped taxation rates for lump sum payments for unused recreation and long service leave	260	250	210	230	210	190
Capital gains tax exemption on the sale of a small business at retirement	25	25	35	50	65	90
Senior Australians' tax offset	25	30	1,490	1,580	1,630	1,630
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	..	..	..	3	30	13
<i>Tax expenditure for older people</i>	<i>11,890</i>	<i>12,550</i>	<i>13,345</i>	<i>12,905</i>	<i>14,095</i>	<i>15,043</i>
Exemption from income tax of Family Tax Benefit, including expense equivalent	..	..	1,980	2,600	2,550	3,130
Family Tax Assistance Parts A and B	400	380	..	..	..	..
Exemption from income tax of Child Care Benefit	..	..	330	450	480	470
Tax offset for sole parents	250	260	50	..	..	..
Exemption from income tax of the Baby Bonus	..	..	..	..	8	20
<i>Tax expenditure for families</i>	<i>650</i>	<i>640</i>	<i>2,360</i>	<i>3,050</i>	<i>3,038</i>	<i>3,620</i>
Taxation of 5% of unused long service leave accumulated by 15 August 1978	160	160	135	115	100	85
Tax offset for dependent spouse, etc. who cares for a prescribed dependant	420	430	360	340	340	340
Tax offset for low income earners	490	440	460	410	400	390
Exemption of certain income support benefits, pensions or allowances from income tax	1,330	1,460	880	900	930	960
Capped exemption from FBT for public benevolent institutions	190	210	230	230	165	210
<i>Other tax expenditure</i>	<i>2,590</i>	<i>2,700</i>	<i>2,065</i>	<i>1,995</i>	<i>1,935</i>	<i>1,985</i>
Total tax expenditure	15,130	15,890	17,770	17,950	19,068	20,648

Sources: Treasury 2003, 2004 and 2005.

Social tax expenditures by the Australian Government in 2003–04 were estimated at \$20.6 billion (Table 3.3). Nearly three-quarters (72.8%) of these social tax expenditures were directed at older people; a further 17.5% was for families and children and the remainder (9.6%) was for other social expenditures.

Concessional taxation of superannuation

Well over half of the Australian Government's tax expenditures directed at older people were by way of its concessional taxation of superannuation – estimated at \$12 billion or 80% of all social tax expenditures for older people by the Australian Government in 2003–04 (Table 3.3).

In its estimation of concessional taxation of superannuation, the Australian Treasury has produced separate estimates in respect of funded and unfunded superannuation schemes. The estimate in respect of funded superannuation was \$11.5 billion in 2003–04, and for unfunded lump sum payments it was \$0.5 billion.

The key features of the taxation of superannuation relate to the treatment of contributions, earnings and benefits. In Australia, funded superannuation is taxed at three stages. These are when:

- contributions are made to a fund
- investments in superannuation funds earn income
- superannuation benefits are paid out.

As mentioned earlier, the Treasury needs to develop a benchmark against which it can compare the treatment of superannuation, in order to determine the level of tax expenditure. In this context, the Treasury has developed the following benchmark in relation to the treatment of superannuation:

- contributions are taxed like any other income in the hands of employees
- earnings are taxed like any other investments in the hands of investors
- benefits are untaxed.

Additionally, any costs associated with superannuation investments are assumed to be deductible.

Australia's taxation treatment of funded superannuation varies from the benchmark in that contributions and earnings are taxed concessionally (15%) relative to the benchmark, but this has, to date, been partially offset through the taxation of benefits. A possible consequence of this method of estimating tax expenditures is that, over the longer term, it may have been expected that these concessions may well diminish. This could have come about if the taxation of benefits grew with the increasing numbers of superannuants drawing down their superannuation savings relative to the numbers in the accumulation phase. See a fuller discussion of issues relating to the development of these estimates in the annual tax expenditures statements (Treasury 2005). This scenario may have been removed with the changes announced in the 2006 Budget.

In the case of unfunded superannuation lump sum payments, no employer contribution is made until the actual benefit is provided on the member's retirement. The appropriate benchmark treatment for these amounts is, therefore, taxation at personal marginal rates on receipt by the members. The actual tax levied on these amounts is 15% (plus Medicare levy) for taxpayers aged 55 years or over, and 30% (plus Medicare levy) where the taxpayer is under 55 years of age.

Other tax expenditures for older people

Of the remaining \$3,013 million of tax expenditures aimed at older people in 2003-04, more than half (\$1,630 million) was through the Senior Australians' tax offset arrangements. This is a concession available to taxpayers who are eligible to receive the age pension or a veteran's benefit, pension or allowance – including people who qualify for but do not receive a benefit.

Tax expenditures for families and children

Almost all (86.5%) of the estimated \$3,620 million in 2003-04 tax expenditures for families was due to the exemption from income tax of the family tax benefit. A further \$470 million resulted from the exemption from taxation of child care benefits.

4 Welfare expenditure estimates using international classifications

This section provides estimates of welfare expenditures based on the OECD Social Expenditure (SOCX) framework. To maintain consistency with the types of expenditure reported elsewhere in this publication, only those SOCX categories that map to the four ABS welfare services GPCs are included (see Chapter 6 for definitions).

The SOCX classification contains nine major categories, each of which is divided into 'cash benefits' and 'benefits-in-kind'. The SOCX category 5—Health and category 7—Unemployment are regarded as being wholly outside the scope of this report. Two others: 6—Active labour market programs; and 8—Housing are partially excluded.

Table 4.1: Welfare expenditure by SOCX category, current prices, 1998–99 to 2003–04 (\$ million)

SOCX category	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	Average proportion (%)
1. Old age	18,298^r	13,884^r	24,628^r	23,353^r	24,672^r	27,678	
Cash benefits	16,424	16,827	22,370	20,917	22,044	24,210	89.3
Benefits-in-kind	1,873 ^r	2,058 ^r	2,258 ^r	2,436 ^r	2,627 ^r	3,469	10.7
2. Survivors							
Cash benefits	1,403	1,426	1,608	1,752	1,841	1,942	n.a.
3. Incapacity-related	9,259^r	9,713^r	10,838^r	11,789^r	12,590^r	13,690	
Cash benefits	6,802	7,135	8,040	8,704	9,209	10,048	73.6
Benefits-in-kind	2,457 ^r	2,578 ^r	2,798 ^r	3,085 ^r	3,281 ^r	3,642	26.4
5. Families	14,153^r	16,432^r	19,864^r	21,805^r	22,271^r	27,098	
Cash benefits	12,040	13,939	17,286	18,607	18,703	23,474	85.5
Benefits-in-kind	2,113 ^r	2,494 ^r	2,579 ^r	3,199 ^r	2,568 ^r	3,624	14.5
9. Other social policy areas	6,088^r	6,481^r	6,961^r	7,347^r	8,337^r	9,538	
Cash benefits	204	120	140	150	157	163	2.1
Benefits-in-kind ^(a)	5,884 ^r	6,361 ^r	6,821 ^r	7,197 ^r	8,180 ^r	9,375	97.9
Total of above categories	49,200^r	52,937^r	64,199^r	66,047^r	69,710^r	79,946	
Cash benefits	36,873	39,447	49,444	50,129	51,954	59,837	51.5
Benefits-in-kind	12,327 ^r	13,490 ^r	14,456 ^r	15,918 ^r	17,756 ^r	20,110	16.8
Superannuation benefits ^(b)	23,694	27,339	30,584	32,566	33,273	29,742	

(a) Expenditure on services for widows is classified in SOCX category 9 (Other social policy). Category 9 also includes recurrent funding of welfare services by local governments, government capital expenditure, and expenditure by NGOs and households.

(b) Including lump sum and pension.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Note: Components may not add to totals, due to rounding.

Sources: Benefits-in-kind: AIHW; cash benefits: as for Table 1.1; superannuation benefits: APRA 2005.

In the case of SOCX category 6—Active labour market programs, the only part that is included relates to labour market programs for people with disabilities.

From category 8—Housing, only supported accommodation assistance and crisis accommodation are included.

In Australia, labour market programs for people with disabilities are classified as welfare services for people with disabilities. In Table 4.1 above, these have been included as part of SOCX category 3.

Parts of the two housing programs are classified as welfare services for families and children and the remainder as other welfare services (nec). In Table 4.1 above, these have been included as part of SOCX category 5; and the remainder has been included under SOCX category 9.

In the previous issue of the series, superannuation was shown under SOCX category 1 – Old age. It is arguable whether, or to what extent, these benefits should be regarded as welfare expenditures or individuals' use of own savings. Because of this controversy, the item is separated out and is provided in Table 4.1 for information, but not included in the overall estimates of social expenditures in this report.

Over the period 1998–99 to 2003–04, total cash benefits and benefits-in-kind nominally increased, at almost the same annual rate – 10.2% and 10.3%, respectively (derived from Table 4.1). The most rapid single year increase in cash benefits was between 1999–00 and 2000–01 when they rose by 25.3% – more than three times the rate of increase in total benefits-in-kind.

4.1 Cash benefits and benefits-in-kind

Old age

Cash benefits for older people include age pension, aged persons' saving bonuses, self-funded retirees' supplementary bonuses, wife pensions (aged), telephone allowance for Australian Government seniors, one-off payments to seniors, DVA service pensions, part of the carer payments, and associated administration costs of Centrelink for processing payments for eligible recipients.

The nominal increase in cash benefits over the period 1998–99 to 2003–04 averaged 8.1% per year. Benefits-in-kind grew at a higher nominal rate of 13.1% during the period. Cash benefits accounted for 89.3%, on average, over all years and the remaining 10.7% was benefits-in-kind (Table 4.1). In 2003–04 total cash benefits and benefits-in-kind for older people was \$27.7 billion. If superannuation benefits were included, expenditure for older people would have totalled \$57.4 billion in 2003–04.

Incapacity-related

Cash benefits for people with disabilities or SOCX's 'Incapacity-related cash benefits' include disability support pensions, mobility allowances, child disability allowances, sickness allowances, wife pensions (disability), DVA disability pensions, part of carer payments, and administration costs for Centrelink in processing payments to people with disabilities.

Over the period 1998–99 to 2003–04, cash benefits grew each year at an average rate of 8.1% in nominal terms, while benefits-in-kind grew at a slightly higher rate at 8.2%. Cash benefits for people with disabilities accounted for 73.6%, and the remaining 26.4% was benefits-in-kind.

Families

SOCX's 'Family cash benefits' include family allowances, double orphan pensions, family tax payments, family tax benefits, child endowment payments, maternity allowances, parenting payments, partner allowances (benefit), partner allowances (pension), administration costs for child support, and the related administration costs of Centrelink.

During the period 1998-99 to 2003-04, cash benefits for families and children grew at an average rate of 14.3% in nominal terms, while benefits-in-kind grew at a slower rate of 11.4%. Cash benefits accounted for 85.5% on average, and the remaining 14.5% was benefits-in-kind.

Survivors and other social policy areas

Australia's other welfare services (nec) GPC maps to two SOCX categories – category 2 (Survivors) and category 9 (Other social policy areas). It was not possible to split the benefits-in-kind component (that is, welfare services expenditure) into those two SOCX categories. They were, therefore, combined in category 9 in the Australian statistics.

Cash benefits for survivors include bereavement allowances, widow B pensions, widow allowances, and DVA dependants and widows. Cash benefits for others include disaster relief payments, special benefits, and the associated administration costs of Centrelink.

Over the period 1998-99 to 2003-04, nominal growth of cash benefits for other social policy and survivors areas grew on average by 5.5% (calculated from Table 4.1). Benefits-in-kind for other social policy areas grew at 9.8% on average.

5 Selected social security payments by the Australian Government: a state comparison

The Australian Government issues the HCC and PCC to eligible income support recipients. The CSHC, the low-income HCC and Foster Child HCC may be claimed by people in specific circumstances. Holders of these cards receive benefits such as Pharmaceutical Benefits Scheme medicines at the concessional rate (see Section 6.2 for further information on eligibility criteria).

There appears to be a positive relationship between unemployment rates and number of HCC holders, that is, when unemployment rates are high, so too is the number of card holders. Unemployment rates in Australia fell from 6.1% in 2002–03 to 5.8% in 2003–04. The ratio of HCC holders per 1,000 population fell from 84 in 2002–03 to 78 in 2003–04 (Table 5.1). This positive relationship was also evident across other jurisdictions, except for South Australia, where other factors may complicate the analysis.

In 2003–04, jurisdictions with unemployment rates above the Australian average of 5.8% were Tasmania (6.9%), South Australia (6.4%), and Queensland (6.2%). These jurisdictions also had high ratios of HCC holders per 1,000 population at 104, 82 and 81 respectively. The Australian Capital Territory had both the lowest unemployment rate and the lowest ratio of HCC holders per 1,000 population.

For both years, Tasmania and South Australia, with larger shares of the ageing population than the other jurisdictions, had higher ratios of PCC and CSHC holders per 1,000 population. The Northern Territory, with a larger share of the younger population, had the lowest ratio of PCC and CSHC holder per 1,000 population.

Table 5.1: Unemployment rates, holders of HCC, PCC and CSHC cards, by state and territory, 2002–03 and 2003–04

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Unemployment rates (%)									
2002–03	5.9	5.7	6.2	5.9	6.2	8.6	4.2	5.7	6.1
2003–04	5.6	5.6	6.2	5.7	6.4	6.9	3.9	5.2	5.8
HCC holders per 1,000 population									
2002–03	74	87	91	84	87	113	53	126	84
2003–04	69	82	82	77	81	104	47	124	78
PCC and CSHC holders per 1,000 population									
2002–03	172	173	169	155	203	213	112	96	172
2003–04	172	174	170	157	204	216	112	100	159

Sources: Unemployment rates: CGC 2004, 2005; HCC, PCC and CSHC card holders: FaCS unpublished.

The number of recipients of social security payments might generally be expected to relate positively with population size, that is, a state with a larger population size might be expected to have a larger number of recipients of social security payments than a state with a smaller population. However, there were some types of social security payments which did

not conform to this expectation. These are Age Pension, Carer Payment, Disability Support Pension, Wife Pension, Widow Pension Class B, and Special Benefit. South Australia, with a lower population size than Western Australia, had a higher number of recipients in these social security payments than Western Australia (derived from Table 5.2). South Australia had a higher proportion of persons aged 65 years and over than Western Australia – at 30 June 2004, it was 15% in South Australia and 12% in Western Australia.

Table 5.2: Social security recipients (June quarter), by state and territory by selected payment types and total payments, 2003 and 2004

	Year	Number of recipients ('000)									Total payment ^(a) (\$'000)
		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total	
Age Pension	2003	611,513	472,333	320,161	155,892	173,316	30,442	17,088	5,933	1,786,678	17,740,214
	2004	611,985	475,329	325,457	155,711	173,982	27,775	17,109	6,143	1,793,491	19,540,401
Carer Payment ^(b)	2003	26,910	18,870	15,367	5,357	5,721	2,615	536	410	75,786	702,649
	2004	29,856	20,931	16,959	5,872	6,323	2,794	578	484	83,797	921,008
Carer Allowance ^(b)	2003	96,548	76,652	57,407	25,398	24,112	8,402	3,441	1,412	293,372	744,488
	2004	95,401	75,115	57,532	23,864	24,133	8,154	3,073	1,359	288,631	965,430
Disability Support Pension	2003	219,820	158,881	129,385	56,273	64,321	16,314	6,850	5,314	657,158	6,851,608
	2004	225,649	165,577	134,227	58,728	66,283	17,042	6,982	5,711	680,199	7,492,532
Mobility Allowance	2003	12,768	12,093	8,477	3,723	5,024	1,364	534	236	44,219	74,975
	2004	13,526	12,495	8,967	4,091	5,496	1,473	531	247	46,826	82,163
Sickness Allowance	2003	2,430	2,513	1,969	784	760	184	94	57	8,791	85,528
	2004	2,353	2,499	1,854	722	738	176	81	55	8,478	85,375
Wife Pension ^(b)	2003	18,710	13,474	10,724	4,871	5,574	2,016	294	262	55,925	546,562
	2004	16,920	12,296	9,719	4,423	5,071	1,638	259	228	50,554	520,259
Widow Pension Class B	2003	650	501	376	167	180	47	26	<20	1,947	39,804
	2004	324	270	197	86	81	<20	<20	<20	958	26,275
Special Benefit	2003	5,960	3,194	716	630	798	87	136	30	11,551	116,286
	2004	5,769	3,167	677	573	776	84	148	22	11,216	113,141
Parenting Payment (single)	2003	140,941	96,093	95,860	44,812	34,924	12,928	5,170	5,816	436,544	5,731,117
	2004	144,313	99,316	99,001	45,783	35,881	13,276	5,201	5,932	448,703	5,995,135
Family Tax Benefit A and B	2003	957,786	714,440	617,108	302,676	234,303	82,722	39,563	35,832	2,984,420	10,473,856
	2004	962,686	723,351	626,933	306,724	235,481	83,302	39,143	36,168	3,013,788	12,869,904

(a) Include payments to about 75,000 residents living overseas.

(b) Including older persons and people with disabilities (see page 33 for details).

Sources: Recipients: Centrelink unpublished data; payments: FaCS 2002, 2003.

6 Technical notes

6.1 Government Purpose Classification

The Government Purpose Classification (GPC) in the Government Finance Statistics is used to group operating expenses and expenditure by purpose (education, health, etc.) with similar functions to facilitate the study of the broad function of general government spending and the effectiveness of that spending in meeting government policy objectives. This is based on international standards in the System of National Accounts 1993, and the International Monetary Fund's I. The definitions in the GPC are set in accordance with international definitions.

Descriptions of the welfare services and social security categories in the GPC are below.

Welfare services

GPC 2621—Family and child welfare services

Child care services and services for children, which are developmental in nature.

Includes outlays on:

- long day care centres, family day care, occasional care/other centres and outside school hours care
- subsidies for child care assistance and child care rebate.²

Child, youth and family welfare services which are protective (children), developmental (youth) and supportive (families) in nature.

Includes outlays on:

- substitute care (short-term and permanent)
- information, advice and referral, particularly in adoption
- development and monitoring of family/household management skills
- Supported Accommodation Assistance Program (SAAP) for youth
- protective investigation, protective supervision, statutory guardianship management, protective accommodation
- services delivered by residential institutions, such as centres, villages, shelters, hostels, orphanages, youth refuges, juvenile hostels, campus homes and family group homes
- marriage and child/juvenile counselling
- assessment and evaluation of offenders by non-judicial bodies.

2 From July 2000, the child care assistance and child care rebate have been changed into the following three types of assistance: Family Tax Benefits (part A), Family Tax Benefits (part B), and Child care benefits. Only Child care benefits are classified to GPC 2621 – Family and child welfare services.

GPC 2622—Welfare services for older people

Welfare services for older people are programs providing services primarily intended for persons aged 65 years and over.

Includes outlays on:

- respite care
- domestic and personal assistance, for example, services provided through the Home and Community Care (HACC) Program
- services delivered by residential institutions, for example, low-level residential aged care, formerly known as 'hostels', villages, group homes
- financial assistance not primarily related to inadequate earning capacity, for example, concessions for aged persons (transport and material assistance, etc.)
- community centres, for example, senior citizen centres.

Excludes outlays on nursing homes for older people (high-level residential care facilities) which are classified to GPC 2530, which is a health GPC category.

GPC 2623—Welfare services for people with disabilities

Includes outlays on:

- respite care
- developmental care
- substitute care
- domestic and personal assistance, for example, services provided through the HACC Program
- services delivered by residential establishments, for example, hostels, group homes and other services provided under the Commonwealth State Territory Disability Agreements
- transport other than public transport
- supported employment and rehabilitation, for example, supported employment, training centres for people with disabilities
- community centres, for example, day care centres for people with disabilities
- nursing homes for people with disabilities
- financial assistance not primarily related to inadequate earning capacity, for example, concessions specifically for people with disabilities (transport and material assistance, etc.).

GPC 2629—Other welfare services not elsewhere classified

Includes outlays on:

- homeless persons' assistance, for example, SAAP for people other than youth
- information, advice and referral services
- prisoners' aid
- care of refugees
- premarital education
- Aboriginal welfare services

- women's shelters
- general casework services which lead to the determination of eligibility for income assistance or welfare services
- multi-client services (food and clothing) in times of personal and family emergencies and relief of victims of disasters
- departments, bureaus or program units which serve the welfare services system including those that disseminate information, prepare budgets, formulate policy and undertake research
- financial assistance (other than for older people and the disabled) not primarily related to inadequate earning capacity
- management support.

Social security

GPC 2611—Sickness benefit

Pensions and other benefits paid to persons who are sick and thereby suffer loss of income due to work incapacity.

Includes outlays on:

- sickness benefits and miners, phthisis compensation.

Excludes outlays on:

- special benefits classified to GPC 2619 (Social security, nec); workers compensation payments classified to purpose; and payments for health services classified to the appropriate subgroup of major group GPC 25.

In theory this GPC category should include:

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

GPC 2612—Benefits to ex-service personnel and their dependants

Pensions and other benefits paid to ex-service personnel to compensate for invalidity and other permanent disablement resulting from service in the defence forces, and to war widows and war orphans.

Includes outlays on:

- ex-service personnel disability pensions and allowances; and service pensions.

Excludes outlays on:

- pensions from Defence Forces Retirement and Death Benefits Scheme; old age pensions, disability benefits, etc. paid through the general social security system to ex-service personnel; and health goods and services.

In theory this GPC category should include:

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

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

GPC 2613—Permanent disability benefit

Disability service pensions and other benefits paid to compensate for the permanent loss of income due to full or partial disablement.

Includes outlays on:

- payments to chronically ill and disabled persons.

Excludes outlays on:

- repatriation and other disablement benefits payable only to ex-service personnel classified to GPC 2612; and health goods and services classified to the appropriate subgroup of major group GPC 25 (Health).

In theory this GPC category should include:

- Carer Allowance: an annually indexed income supplement available to people who provide daily care and attention to a person who is frail aged, has severe disability or a medical condition. Carer Allowance is not means-tested.
- Carer Payment: a means-tested income support payment for people whose caring responsibilities prevent them from undertaking substantial workforce participation.
- Disability Support Pension: a means-tested income support payment for people with a physical, intellectual or psychiatric impairment resulting in an inability to work full-time.
- Mobility Allowance: an income supplement, not means-tested, that is aimed at assisting with transport costs for people with disabilities who are in employment, vocational training, a combination of work or training, voluntary work or job search who are unable to use public transport without substantial assistance.
- Wife Pension (Disability Support Pension): an income support payment available to female partners of Disability Support Pension recipients who were on payment as at 30 June 1995. Since 1 July 1995, this payment has been closed to new applicants.

GPC 2614—Old age benefits

Payments of old age pensions.

Excludes outlays on:

- pensions payable only to ex-service personnel and their dependants classified to GPC 2612; and health goods and services classified to the appropriate subgroup of major group GPC 25 (Health).

In theory this GPC category should include:

- Age Pension: payment for people of age pension age who cannot support themselves fully in retirement, or to supplement the retirement incomes of those with low levels of private retirement savings. Age pension age is currently 65 for men and 63 for women. The alignment of qualifying ages for men and women (to 65) will occur on 1 January 2014.

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

GPC 2615—Widows, deserted wives, divorcees and orphans benefits

Pensions and other benefits paid to widows, deserted wives and divorcees that are not made on the grounds of the need to support a dependent child. Pensions and other benefits paid where both parents of a child are deceased or if the whereabouts of a sole surviving parent is unknown.

Includes outlays on:

- Class B and C widows pensions and orphans pensions.

Excludes outlays on:

- war widows and war orphans pensions classified to GPC 2612; and
- Class A widows pension and supporting parent benefits which are based on the need to support a dependent child classified to GPC 2618.

In theory this GPC category should include:

- Bereavement Allowance: a short-term payment available to recently widowed people without dependent children in the period immediately following the death of a spouse or partner. It is payable for up to 14 weeks only.
- Double Orphan Pension: a payment, not means-tested, for children with at least one deceased parent, who cannot have contact with the other (for example, because that parent is a long-term prisoner or his/her whereabouts are unknown).
- Special Benefit: provides assistance to people in severe financial need and for whom no other pension, allowance or other support is available.
- Widow Allowance: an income support payment for older single women who lost a spouse after they were aged 40 and who have no recent workforce experience.
- Department of Veterans' Affairs pension for war widows and dependants: to compensate dependants for the death of a spouse/partner or parent as the result of eligible war or defence service.

GPC 2616—Unemployment benefits

Unemployment benefits paid to compensate for loss of income due to unemployment.

Excludes outlays on:

- government labour exchanges classified to GPC 3339 (Other labour and employment affairs); unemployment relief grants through schemes such as National Employment and Training, Community Youth Support Scheme and Youth Employment and Support Services classified to the purpose which the industry serves or GPC 3339; pensions and other benefits paid to persons who are sick and thereby suffer loss of income due to work incapacity classified to GPC 2611; Special Benefits classified to GPC 2619; and welfare assistance to the unemployed classified to GPC 2629.

In theory this GPC category should include:

- Newstart Allowance: paid to people 21 years or over and under Age Pension age who are unemployed. Newstart Allowance recipients must satisfy the activity test by actively

seeking work and/or undertaking an activity designed to improve their employment prospects. They also must accept offers of suitable employment.

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

GPC 2617—Family and child benefits and support programs

Income assistance paid to families irrespective of whether anyone in the household is earning an income.

Includes payments to:

- households on a per child basis such as family allowances; and payments to children with a disability not made to institutions, such as child disability allowances.

Excludes payments to:

- dependants of ex-service personnel classified to GPC 2612; widows, deserted wives, divorcees and orphans classified to GPC 2615; single parent households with dependent children classified to GPC 2618; and institutions for children with a disability classified to GPC 2623.

In theory this GPC category should include:

- Family Allowance: this allowance has been replaced by Family Tax Benefit as of 1 July 2000.
- Family Tax Payment: the Family Tax Payment has been replaced by the Family Tax Benefit as of 1 July 2000.
- Family Tax Benefit (Part A): paid to eligible families with children up to 21 years and young people between 21 and 24 who are studying full-time (and not receiving Youth Allowance or a similar payment).
- Family Tax Benefit (Part B): paid to families with only one main income earner, including single parent families, where the youngest child is aged up to 15 years or up to 18 years if a full-time student. A higher rate is paid where the youngest child is aged under 5 years.
- Maternity Allowance: this has been replaced by Maternity Payment as of 1 July 2004.
- Maternity Payment: a one-off universal lump sum paid to families following the birth or adoption of a baby. The claim must be made within 26 weeks of the child's birth, or, in the case of local adoption, within 26 weeks of the coming into the care of the adoptive family. For overseas adoption the claim must be made within 26 weeks of the child entering Australia.
- Maternity Immunisation Allowance: paid for children aged 18–24 months who are fully immunised and must be claimed on or before the child turns two years of age. It may also be paid if an approved immunisation exemption has been obtained for the child.
- Double Orphan Pension: paid to guardians or approved care organisations in meeting the costs of caring for children who are double orphans.
- Rent Assistance: paid to Family Tax Benefit Part A customers who are receiving more than the base rate and paying private rent over a certain amount.
- Child Support Program: provides services to assist in ensuring the payment of child support.

- Childcare Benefits³: scaled assistance to families using approved child care services or registered carers. This assistance is higher for lower income families.
- Parenting Payment: paid to one parent who is the primary carer of a dependent child. Parenting Payment (partnered), payable to partnered parents. FaCS pays Parenting Payment to people under various international social security agreements.
- Partner Pension and Benefit: a non-activity tested income support payment for partners who were born on or before 1 July 1955, have no dependent children and no recent workforce experience.

GPC 2618—Sole parent benefits

Income assistance payments to single parent households with dependent children.

Includes:

- supporting parents benefits; and Class A widows pensions.

Excludes:

- payments to single parent households that are not made on the basis of the support of a dependent child (such as Class B and C widows pensions) classified to GPC 2615; war widows pensions classified to GPC 2612; and payments to households on a per child basis (such as child allowances) classified to GPC 2617.

In theory this GPC category should include:

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

GPC 2619—Social security not elsewhere classified

Outlays on administration, provision, support, operation, etc. of social security affairs that cannot be assigned to one of the preceding sub-groups of GPC 261, including administration costs that can be separated from the provision of welfare services.

Includes outlays on:

- special benefits;
- funeral benefits and compassionate allowances;
- assistance to individuals or households with inadequate earning capacity, in the nature of concessions (such as telephone rental, postal, transport and rate concessions); and
- other income assistance not included in the preceding sub-groups of GPC 261.

Also includes outlays by departments, bureaux or program units which serve the social security system including those that disseminate information, prepare budgets and conduct or support research into social security affairs.

Excludes outlays on:

- student transport concessions which are considered to be education outlays and are classified to GPC 244 (Transportation of students).

3 AIHW now classifies this item to Family and child welfare services.

6.2 Eligibility for Pensioner Concession, Health Care, and Commonwealth Seniors Health Cards

Pensioner Concession Card

In order to qualify, the person must be:

- receiving one of the following:
 - a pension
 - Parenting Payment (single)
 - Mature Age Allowance
 - Carer Payment
- aged over 60 years and have been receiving one (or a combination) of the following payments continuously for more than nine months:
 - Newstart Allowance
 - Sickness Allowance
 - Widow Allowance
 - Partner Allowance
 - Parenting Payment or Special Benefit.

The card entitles holders to reduced cost medicines as well as other concessions.

Health Care Card

In order to qualify, the person must be receiving one or more of the following:

- Newstart Allowance
- Sickness Allowance
- Widow Allowance
- Partner Allowance
- Parenting Payment (partnered)
- Special Benefit
- Youth Allowance (jobseekers)
- the maximum rate of Family Tax Benefit Part A in fortnightly instalments
- Mobility Allowance, and not hold a Pensioner Concession Card
- Carer Allowance (for a child under 16 years with a disability)
- Exceptional Circumstances Relief Payment
- Farm Family Restart.

Low income earners and foster children can also obtain specific types of Health Care Cards.

The card entitles holders to reduced cost medicines and other concessions in some states and territories.

Commonwealth Seniors Health Card

Cards are available to self-funded retirees who:

- are not receiving a social security pension or benefit, or a service pension or income support supplement; and
- are of Age, or Veteran Pension age; and
- meet an annual adjusted taxable income test, but no assets test is required.

Holders of the card (not their dependants) are entitled to Pharmaceutical Benefits Scheme medicines at the concession rate, Telephone Allowance if an eligible telephone subscriber, and the Seniors Concession Allowance. The Seniors Concession Allowance recognises that most self-funded retirees do not receive concessions for energy, rates, water and sewerage, and motor vehicle registration from state and territory governments.

See *A guide to Centrelink Concession Cards* online for more detailed information on each of these cards: <[www.centrelink.gov.au/internet/internet.nsf/filestores/co153_0412/\\$file/co153_0412en.pdf](http://www.centrelink.gov.au/internet/internet.nsf/filestores/co153_0412/$file/co153_0412en.pdf)>.

6.3 Key data sources for state and territory government expenditure and funding

The AIHW continues to use a patchwork of data sources in estimating expenditure and funding by state and territory governments. Key data sources for recurrent expenditure not including concession expenditure are displayed in Table 6.1.

Table 6.1: Key data sources for state and territory government expenditure and funding

State/territory	Area of services	Source					
		1998–99	1999–00	2000–01	2001–02	2002–03	2003–04
NSW	(1) Families and children	ABS	ABS	ABS	ABS	ABS	ABS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(2) & (3) combined	ABS	ABS	ABS	ABS	ABS	ABS
	(4) Other welfare services	ABS	ABS	ABS	AIHW est	AIHW est	ABS
	(5) Total expenditure	ABS	ABS	ABS	AIHW est	AIHW est	ABS
Vic	(1) Families and children	<-----DHS Vic----->					
	(2) Older people	<-----DHS Vic----->					
	(3) People with disabilities	<-----DHS Vic----->					
	(2) & (3) combined	<-----DHS Vic----->					
	(4) Other welfare services	<-----DHS Vic----->					
Qld	(1) Families and children	ABS	ABS	AIHW est	ABS	ABS	ABS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	AIHW est	RoGS	RoGS	RoGS	RoGS	RoGS
	(2) & (3) combined	ABS	RoGS	RoGS	RoGS	RoGS	RoGS
	(4) Other welfare services	ABS	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(5) Total expenditure	ABS	ABS	AIHW est	AIHW est	ABS	ABS
WA	(1) Families and children	ABS	ABS	ABS	ABS	ABS	ABS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(2) & (3) combined	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(4) Other welfare services	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(5) Total expenditure	ABS	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
SA	(1) Families and children	ABS	AIHW est	ABS	ABS	ABS	ABS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	AIHW est	AIHW est	RoGS	RoGS	RoGS	RoGS
	(2) & (3) combined	ABS	ABS	RoGS	RoGS	RoGS	RoGS
	(4) Other welfare services	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(5) Total expenditure	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
Tas	(1) Families and children	ABS	ABS	ABS	ABS	ABS	RoGS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(2) & (3) combined	ABS	ABS	ABS	ABS	ABS	ABS
	(4) Other welfare services	ABS	ABS	ABS	ABS	ABS	ABS
	(5) Total expenditure	ABS	ABS	ABS	ABS	ABS	ABS
ACT	(1) Families and children	ABS	ABS	ABS	ABS	ABS	ABS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	AIHW est	RoGS	RoGS	AIHW est	AIHW est	RoGS
	(2) & (3) combined	ABS	RoGS	RoGS	ABS	ABS	RoGS
	(4) Other welfare services	ABS	AIHW est	ABS	AIHW est	ABS	ABS
	(5) Total expenditure	ABS	ABS	AIHW est	AIHW est	ABS	ABS
NT	(1) Families and children	ABS	ABS	ABS	ABS	ABS	ABS
	(2) Older people	RoGS	RoGS	RoGS	RoGS	RoGS	RoGS
	(3) People with disabilities	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(2) & (3) combined	ABS	ABS	ABS	ABS	ABS	ABS
	(4) Other welfare services	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est
	(5) Total expenditure	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est	AIHW est

6.4 Revisions

Data for the Australian Government for 2002–03 were revised upward by 0.7% in the Other welfare services (nec) category, mainly in administration costs. Data for state and territory governments were revised upward mainly because of the inclusion of motor vehicle registration concession expenditure which was not available at state and territory level in earlier issues of this report. Data for local government expenditure were taken directly from the ABS's GFS database. The extent of the ABS revision is shown in Table 6.2. For household expenditure, the estimates of client fees for services provided by governments were based on data from the ABS's GFS database, which were revised downward for the first three years.

Table 6.2: Aggregate revisions to the 1998–99 to 2002–03 estimates (per cent)

Year	Government				Non-government			Total all sectors
	Australian Government	State and territory	Local	Total government	NGCSOs	Households	Total non-government	
1998–99	..	7.2	–10.3	3.4	..	–1.9	–1.2	2.0
1999–00	..	9.2	–12.2	4.4	..	–0.1	–0.1	3.0
2000–01	..	9.4	–12.0	4.6	..	–0.3	–0.2	3.1
2001–02	..	10.8	13.8	5.9	..	0.1	0.1	4.1
2002–03	0.7	8.8	6.7	5.0	..	0.8	0.5	3.7

Appendix A: Expenditure and funding of welfare services

Table A1: Funding of recurrent and capital expenditure on welfare services by the Australian Government, state and territory governments and local governments, current prices, 1998–99 to 2003–04

	Australian Government		State and territory governments		Local governments		Total government (\$m)
	Amount (\$m)	Proportion of Australian Government (%)	Amount (\$m)	Proportion of state and territory governments (%)	Amount (\$m)	Proportion of local governments (%)	
Recurrent							
1998–99	3,672	97.4	4,575 ^f	97.9	214 ^f	88.2	8,460 ^f
1999–00	3,957	98.6	5,009 ^f	97.7	217 ^f	85.4	9,183 ^f
2000–01	4,253	98.3	5,337 ^f	96.8	220 ^f	91.1	9,809 ^f
2001–02	4,878	98.6	5,958 ^f	98.0	271 ^f	94.3	11,107 ^f
2002–03	5,370 ^f	98.6	6,463 ^f	98.4	440 ^f	90.4	12,273 ^f
2003–04	6,360	98.7	6,707	98.2	476	88.8	13,543
<i>6-year average</i>		98.4		97.9		89.7	
Capital							
1998–99	100	2.6	100	2.1	29 ^f	11.8	228
1999–00	54	1.4	117	2.3	37 ^f	14.6	208 ^f
2000–01	76	1.7	178 ^f	3.2	22	8.9	275 ^f
2001–02	67	1.4	123 ^f	2.0	16 ^f	5.7	207 ^f
2002–03	77	1.4	104 ^f	1.6	47 ^f	9.6	228 ^f
2003–04	83	1.3	120	1.8	60	11.2	263
<i>6-year average</i>		1.6		2.1		10.3	
Total							
1998–99	3,771	100.0	4,674 ^f	100.0	242 ^f	100.0	8,688 ^f
1999–00	4,011	100.0	5,126 ^f	100.0	254 ^f	100.0	9,391 ^f
2000–01	4,329	100.0	5,514 ^f	100.0	241 ^f	100.0	10,084 ^f
2001–02	4,945	100.0	6,081 ^f	100.0	287 ^f	100.0	11,314 ^f
2002–03	5,446 ^f	100.0	6,567 ^f	100.0	487 ^f	100.0	12,500 ^f
2003–04	6,443	100.0	6,827	100.0	536	100.0	13,806

^f Revised since publication of *Welfare expenditure Australia 2002–03*.

Source: As for Table 2.5.

Table A2: Recurrent funding^(a) of welfare services, by state and territory governments, current prices, 1998–99 to 2003–04 (\$ million)

Service type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Family and child welfare services									
1998–99	361 ^r	287	98 ^r	60	91	27	35	14	973
1999–00	379 ^r	333	159 ^r	69	92	19	31	14 ^r	1,096
2000–01	433 ^r	376	169 ^r	75 ^r	94	19	36	18	1,218
2001–02	564 ^r	410	178 ^r	163 ^r	114	17	48 ^r	19	1,513
2002–03	699 ^r	419	207 ^r	170 ^r	105	25	34 ^r	27	1,686
2003–04	584	434	236	191	150	21	42	29	1,686
Welfare services for older people and people with disabilities									
1998–99	695 ^r	685	260 ^r	199 ^r	169 ^r	87	33	11	2,139 ^r
1999–00	723 ^r	887 ^r	262 ^r	212 ^r	169 ^r	92	32	15 ^r	2,392 ^r
2000–01	786 ^r	941 ^r	273 ^r	227 ^r	169 ^r	83	33 ^r	19	2,532 ^r
2001–02	862 ^r	1,030 ^r	295 ^r	252 ^r	178 ^r	85	48 ^r	21	2,772 ^r
2002–03	953	1,080 ^r	330 ^r	274 ^r	182 ^r	100	57 ^r	33	3,009 ^r
2003–04	1,002	1,128	378	298	198	102	50	34	3,190
Other welfare services (nec)									
1998–99	738 ^r	263 ^r	198 ^r	138 ^r	50 ^r	49 ^r	21 ^r	6 ^r	1,462 ^r
1999–00	731 ^r	311 ^r	252 ^r	109 ^r	50 ^r	46 ^r	16 ^r	6	1,521 ^r
2000–01	771 ^r	316 ^r	254 ^r	122 ^r	50 ^r	52 ^r	16 ^r	6 ^r	1,586 ^r
2001–02	815 ^r	319 ^r	277 ^r	135 ^r	52 ^r	55 ^r	15 ^r	6 ^r	1,673 ^r
2002–03	839 ^r	328 ^r	294 ^r	150 ^r	53 ^r	62 ^r	33 ^r	8	1,768 ^r
2003–04	879	338	295	152	45	80	34	8	1,831
Total welfare services									
1998–99	1,795 ^r	1,235 ^r	555 ^r	396 ^r	310 ^r	164 ^r	89 ^r	31	4,575 ^r
1999–00	1,832 ^r	1,532 ^r	673 ^r	390 ^r	311 ^r	158 ^r	79 ^r	35 ^r	5,009 ^r
2000–01	1,989 ^r	1,633 ^r	696 ^r	424 ^r	313 ^r	154 ^r	85	43 ^r	5,337 ^r
2001–02	2,242 ^r	1,759 ^r	750 ^r	551 ^r	344 ^r	157 ^r	110 ^r	46	5,958 ^r
2002–03	2,490 ^r	1,827 ^r	831 ^r	594 ^r	341 ^r	187 ^r	124 ^r	69 ^r	6,463 ^r
2003–04	2,466	1,900	909	641	392	203	125	71	6,707

(a) Excludes funding for capital purposes.

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Sources: Recurrent expenditure not including concession: see Table 6.1; concession expenditure: state departments.

Table A3: Recurrent funding^(a) of welfare services, by state and territory governments, constant prices^(b), 1998–99 to 2003–04 (\$ million)

Service type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Family and child welfare services									
1998–99	409	329	110	68	104	31	40	15	1,107
1999–00	418	371	174	76	103	21	34	15	1,212
2000–01	461	403	178	80	100	20	38	18	1,300
2001–02	584	424	184	169	118	18	50	20	1,565
2002–03	699	419	207	170	105	25	34	27	1,686
2003–04	562	417	227	184	144	20	40	28	1,622
Welfare services for older people and people with disabilities									
1998–99	789	785	292	226	193	99	37	13	2,434
1999–00	799	987	286	234	188	103	35	17	2,648
2000–01	839	1,008	289	243	181	89	38	21	2,704
2001–02	892	1,065	305	261	184	88	50	22	2,866
2002–03	953	1,080	330	274	182	100	57	33	3,009
2003–04	964	1,085	364	287	190	98	48	33	3,068
Other welfare services (nec)									
1998–99	838	301	223	157	57	56	24	6	1,661
1999–00	807	346	276	121	55	51	18	7	1,680
2000–01	822	338	268	131	54	56	17	6	1,692
2001–02	843	329	286	140	54	56	15	6	1,730
2002–03	839	328	294	150	53	62	33	8	1,768
2003–04	845	326	283	146	43	78	32	8	1,761
Total welfare services									
1998–99	2,036	1,415	625	450	354	186	101	34	5,201
1999–00	2,024	1,704	736	431	346	175	87	38	5,541
2000–01	2,122	1,749	736	454	335	164	91	45	5,697
2001–02	2,319	1,818	774	571	356	162	114	48	6,162
2002–03	2,490	1,827	831	594	341	187	124	69	6,463
2003–04	2,370	1,828	874	617	378	195	120	69	6,451

(a) Excluding funding for capital purposes.

(b) Constant price welfare funding for 1998–99 to 2003–04 is expressed in terms of 2002–03 prices.

Source: Recurrent expenditure not including concession: see Table 6.1; concession expenditure: state departments.

Appendix B: Population data

Table B1: Estimated mean resident population, by state, 1998–99 to 2003–04 ('000)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Other territories	Australia
1998–99	6,376.2	4,663.1	3,474.2	1,837.1	1,493.7	471.8	310.8	191.3	2.7	18,820.9
1999–00	6,449.8	4,715.3	3,531.4	1,863.2	1,502.1	471.6	313.8	194.2	2.6	19,043.9
2000–01	6,531.0	4,774.0	3,594.4	1,888.5	1,508.4	471.5	317.1	196.5	2.6	19,284.1
2001–02	6,608.2 ^r	4,832.1 ^r	3,669.1 ^r	1,913.7 ^r	1,515.3 ^r	472.2 ^r	320.4 ^r	198.1 ^r	2.6	19,531.7 ^r
2002–03	6,659.5 ^r	4,885.2 ^r	3,757.8 ^r	1,936.5 ^r	1,522.5 ^r	474.7 ^r	322.6 ^r	198.3 ^r	2.7 ^r	19,759.7 ^r
2003–04	6,707.6	4,943.8	3,842.5	1,956.7	1,530.6	480.1	323.4	199.0	2.7	19,996.3

^r Revised since publication of *Welfare expenditure Australia 2002–03*.

Source: AIHW estimates based on the ABS quarterly resident population estimates.

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