

# 5 Technical notes

## Welfare services expenditure categories

### 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; and
- subsidies for child care assistance and child care rebate.

#### **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 for youth (SAAP);
- 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; and
- assessment and evaluation of offenders by non-judicial bodies.

### Welfare services for the aged

Welfare services for the aged are programs providing services primarily intended for persons aged 65 and over.

Includes outlays on:

- respite care;
- domestic and personal assistance, e.g. services provided through the Home and Community Care Program;
- services delivered by residential institutions, e.g. hostels, villages, group homes;
- financial assistance not primarily related to inadequate earning capacity, e.g. concessions for aged persons (transport and material assistance, etc.); and
- community centres, e.g. senior citizens centres.

Excludes outlays on:

- nursing homes for the aged which are classified to GPC 2530 (health).

## **Welfare services for people with a disability**

Includes outlays on:

- respite care;
- developmental care;
- substitute care;
- domestic and personal assistance, e.g. services provided through the Home and Community Care Program;
- services delivered by residential establishments, e.g. hostels, group homes and other services provided under the Commonwealth/State Disability Agreement;
- transport other than public transport;
- supported employment and rehabilitation, e.g. supported employment, training centres for people with a disability;
- community centres, e.g. day care centres for people with a disability;
- nursing homes for people with a disability; and
- financial assistance not primarily related to inadequate earning capacity, e.g. concessions specifically for people with a disability (transport and material assistance, etc.)

## **Welfare services not elsewhere classified**

Includes outlays on:

- homeless persons' assistance, e.g. Supported Accommodation Assistance Program (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 the aged and the disabled) not primarily related to inadequate earning capacity; and
- management support.

## **The Commonwealth Grants Commission (CGC)— additional assessment categories (ACATs)**

Recently, the CGC has decided to use the ABS Government Finance Statistics as the basis upon which to build the standard budget. This decision was agreed to by the ABS, CGC and all States several years ago in the expectation that it would improve analysis and reduce the need for separate data requests to the States and Territories. This new process has led to some revisions in earlier years' data.

In its 1999 report, the CGC used additional assessment categories (ACATs). In the welfare services area, the extension of fringe benefits, concessions on rates, electricity, transport, water, and so on which were previously coded to specific functions such as ACAT 4535 (welfare services for the aged and the disabled) are now coded to either ACAT 4610, ACAT 4620, ACAT 4640, ACAT 4650, ACAT 4680 or to ACAT 4690 (see below for definitions). Expenditure items in these ACATs are not exclusively of a welfare services nature. An example of a non-welfare concession is the remote area power assistance scheme by the Department of Energy in New South Wales. The combination of the additional ACATs, reclassification of certain expenditure items and the new recording method contributed to the difference in the State and Territory data published in this bulletin and those published in the last issue of this bulletin.

In the CGC 1999 Updates, the CGC has created additional ACATs for concessions. These ACATs follow.

### **ACAT 4610 Concessions and other payments—electricity and gas**

This category comprises costs to the State budget sector of payments made to, or on behalf of, undertakings providing electricity and gas services. More specifically, it includes all costs associated with the reimbursement of concessions, subsidies and payments of community service obligations. Payments made by government on behalf of the public trading enterprise (PTE) for depreciation and debt charges are also included. Where the service operates as part of the general government sector, and does so at a loss, that loss is also included.

### **ACAT 4620 Concessions and other payments—water supply and sewerage**

This category comprises costs to the State budget sector of payments made to, or on behalf of, undertakings providing water supply and sewerage services. More specifically, it includes all costs associated with the reimbursement of concessions, subsidies and payments of community service obligations. Payments made by government on behalf of the PTE for depreciation and debt charges are also included. Where the service operates as part of the general government sector, and does so at a loss, that loss is also included.

### **ACAT 4640 Concessions and other payments—freight**

This category comprises costs to the State budget sector of payments made to, or on behalf of, undertakings providing freight services. More specifically, it includes all costs associated with the reimbursement of concessions, subsidies and payments of community service obligations. Payments made by government on behalf of the PTE for depreciation and debt

charges are also included. Where the service operates as part of the general government sector, and does so at a loss, that loss is also included.

### **ACAT 4650 Concessions and other payments—non-urban passenger transport**

This category comprises costs to the State budget sector of payments made to, or on behalf of, undertakings providing non-urban passenger transport services. More specifically, it includes all costs associated with the reimbursement of concessions, subsidies and payments of community service obligations. Payments made by government on behalf of the PTE for depreciation and debt charges are also included. Where the service operates as part of the general government sector, and does so at a loss, that loss is also included.

### **ACAT 4680 Concessions and other payments—other trading enterprises**

This category comprises costs to the State budget sector of payments made to, or on behalf of, trading enterprises not elsewhere classified. More specifically, it includes all costs associated with the reimbursement of concessions, subsidies and payments of community service obligations. Payments made by government on behalf of the PTE for depreciation and debt charges are also included. Where the service operates as part of the general government sector, and does so at a loss, that loss is also included.

### **ACAT 4690 Concessions and other payments—other concessions**

This category comprises costs to the State budget sector of concessions, subsidies and payments of community service obligations paid to any identified group of persons considered to be incapable of paying user charges sufficient to cover the full cost of services provided to them. More specifically, the category includes expenditure on:

- transport of children and adults with disabilities, other than on public transport;
- assistance in the nature of municipal rates;
- assistance with the purchase of spectacles; and
- any other concession or assistance to individuals or households with an inadequate earning capacity.

The reduction in revenue resulting from concessions made to eligible individuals for motor vehicle registrations and transfers is reflected in the appropriate revenue category.

## **Revisions**

Revisions are made when:

- estimation methods improve, e.g. estimation of welfare services expenditure on people with a disability; and
- the ABS and/or the CGC revise their data.

The CGC uses the ABS Government Finance Statistics (GFS). The transition to the GFS as the source has been gradual, starting from 1993–94. The CGC made some adjustments to

suit their purposes. It is not surprising to find a number of revisions made to the earlier years' data. The quality of the revisions varied from State to State.

In this issue, revisions to previous bulletins were made in the following areas.

## **Government sector**

### **Commonwealth Government—welfare services for the aged and people with a disability**

In this issue, expenditure by the Commonwealth Government and the combined State and Territory Governments on the 'aged care services and people with a disability' category is split up into two categories, namely 'Welfare services for the aged' and 'Welfare services for people with a disability'.

For the Commonwealth Government, the breakdowns were compiled by the former Department of Health and Family Services. Except for the estimate of home and community care for people with a disability, data are actual figures.

### **State and Territory Governments—welfare services for the aged and people with a disability**

With the separate ACATs for extension of fringe benefits and concessions on rates, electricity and water, this has made the estimates for expenditure on welfare services for people with a disability possible. Two important assumptions were made:

- the majority of the concessions are for the aged; and
- State and Territory governments' contribution for aged care services is mainly for Home and Community Care (HACC) Program expenditure and concessions such as electricity and rates.

The methods for estimating welfare services expenditure for people with a disability, followed six steps:

1. Expenditure by State and Territory Governments for the aged and the disabled funded by the Commonwealth Government and State and Territory Governments compiled by CGC was used as a basis. These figures do not include Specific Purpose Payments (SPPs) for extension of fringe benefits for pensioners.
2. The following recurrent SPPs paid by the Commonwealth to State and Territory Governments were subtracted from the CGC figures:
  - HACC
  - aged care assessment
  - disability services.
3. What was left was State and Territory governments' funding for aged care services and people with a disability.
4. Department of Health and Aged Care published total HACC expenditure by age group and by State and Territory. Expenditure by State and Territory Governments on HACC was obtained by subtracting the Commonwealth government expenditure on HACC from total HACC expenditure.
5. The remaining HACC expenditure was then broken down into HACC for people under 65 (classified as 'disabled') and HACC for people aged 65 and over (classified as 'aged').

6. Estimates of expenditure on welfare services for people with a disability were obtained by subtracting the HACC aged component from figures obtained in Step 3.

The quality of the data varied from State to State. It is not possible, therefore, to produce the split by State and Territory.

### Local government

The ABS revises its data when more up-to-date information is made available. For some years, expenditure by local governments was revised downwards, but for some years it was revised upwards. The average revision for 1992–93 to 1996–97 between the 1998 ABS database and the 1999 ABS database was a fall of 0.8% for recurrent expenditure and an increase of 7.2% for capital expenditure.

### Government fee charges

Fees charged by government agencies were derived from the ABS public finance ETF code 1121 (General Government Charges for Goods and Services). The extent of the revision varies from State to State and from year to year.

Total client fees by the public sector were revised upwards over the 1992–93 to 1996–97 period by 15.4%. Of this revision, client fee figures of the Commonwealth were revised upwards by 25.3%, State and Territory Governments by 0.2% and local governments by 6.5%.

### Non-government sector

Estimates of the non-government sector contribution to welfare services are linked to estimates of government funding data. Whenever government funding figures are revised, the estimates of the non-government sector contribution also change. The source for total government funding to NGCSOs was the ABS public finance database. The ABS revised government funding to NGCSOs downwards by 4.5% on average. For 1996–97, the funding figure was revised upwards by 3.3%. This had consequent impacts on the non-government sector funding estimates.

## Government Final Consumption Expenditure (GFCE) deflator

GFCE is used to deflate expenditure in current prices to 1996–97 prices for both the government and non-government sectors. GFCE deflators from 1992–93 to 1997–98 are shown in Table 19.

**Table 19: Government Final Consumption Expenditure (GFCE) deflator, 1992–93 to 1997–98**

Year	GFCE deflator
1992–93	0.946
1993–94	0.956
1994–95	0.961
1995–96	0.981
1996–97	1.000
1997–98	1.017

Source: ABS 1999b.

## Population

The populations used in this bulletin are mean resident populations. Data for the years 1992–93 to 1995–96 were taken directly from the September quarter 1997 edition of ABS Catalogue No. 3101.0. Mean resident populations for the years 1996–97 and 1997–98 were derived by the Institute based on quarterly estimated resident population data, obtained from the March and September quarter 1998 editions of the afore-mentioned publication.

## Abbreviations and symbols used in tables

- nil or rounded down to zero
- .. not applicable