1 Introduction

Australia's Welfare 2005 is the Institute's seventh biennial report on Australia's welfare. It builds on and develops material presented in previous editions and, in keeping with the growing recognition of the importance of whole-of-government perspectives in presenting statistics and information, places continued emphasis on the interplay between formal services, informal assistance, public and community housing and cash benefits.

The last decade has seen substantial progress in the quality and quantity of research and statistics that provide a basis on which to monitor and develop Australia's welfare services and assistance. The material presented in this edition of *Australia's Welfare* is part of that developmental process, and the scope of material presented is broader than that available in previous years. Nonetheless, a number of challenges remain to be addressed. These include an understanding of the demographic changes that may occur in the future and their implications for community services and housing assistance; the continued emphasis on person-centred rather than program-centred statistical information; and finally the perennial demand for improved data on the outcomes of welfare services and assistance.

Impact of demographic trends on welfare services and assistance

Demographic change is a key driver of changes in the demand for welfare services and assistance. Some aspects of demographic change receive so much attention that they overshadow other equally important aspects of Australia's demographic profile. So for example, the rapid ageing of the population and the alarming decline in fertility are key popularly recognised demographic trends. As a consequence, there are widespread perceptions that the main welfare-related challenges facing Australian society are associated with an increasing demand for aged care services and income support. While services for older people are undoubtedly an important part of the welfare sector and will continue to be so in the future, the needs of other population groups will remain of substantial importance as well.

The popular perception of a falling fertility rate should be considered in the context of statistical evidence that shows that the total fertility rate has remained relatively constant at between 1.73 and 1.76 births per woman since 1998. Indeed, it has remained between 1.75 and 1.76 during that period with the single exception of 2001 when it was 1.73. The number of births has remained fairly steady at around 250,000 per year. Although the proportion of children in the population has declined in recent years the absolute number continues to increase. In 2004 there were about 4 million children aged under 15, comprising 20% of the total population. Thus welfare policies aimed at children, young people, families with dependent children and child-friendly communities remain an important focal point for the future.

Prior to 1998 fertility had been declining (see the discussion in *Australia's Welfare 1997*). The recognition that it has apparently stabilised is of relatively recent origin.

It is important to recognise that our current demographic projections are based on a continuing slow decline in fertility; many of the projected numbers may therefore underestimate the proportion of children in Australian society in the 2020s and beyond. The next few years should reveal whether or not this period of relative stability marks the end of this downward cycle in national fertility rates.

Person-centred rather than program-centred information

Recent years have seen continued emphasis on the need for a person-centred perspective across a wide range of policy areas. There has been a particular focus on providing integrated information concerning the needs and circumstances of young children, but there is also interest in the needs and circumstances of youth and families, older people and people with disabilities. Each of these population groups is of central relevance to the data assembled in this volume of *Australia's Welfare*.

While there is considerable agreement on the need for person-centred rather than program-centred information, the major national sources of statistical information on these groups of people continue to be administrative by-product data. By their nature, such data are program-specific. The difficulties in assembling person-oriented information are beginning to be addressed, but considerable work remains to be done before this goal is achieved. In several key community services databases, statistical data linkage is now routinely used to connect records relating to particular individuals within the program; this means that the data are organised around people rather than disparate episodes of service (for example, the SAAP, CSTDA and HACC databases). The device used is a statistical linkage key which does not identify individuals, meets national privacy requirements and has ethical approval.

This same statistical linkage strategy will be able to be extended across programs, to provide statistical information (not individual information) which relates to the person rather than the program. Some progress of this kind has been made in relation to older people (AIHW 2005a, 2005b) and in a number of studies undertaken in Western Australia (Brook et al. 2005). Further work will be an important step in providing the kind of statistical information necessary to inform whole-of-government and inter-jurisdictional agendas in welfare policy.

Improving data on outcomes

For at least 30 years policy analysts and social planners have been preoccupied with improving the measurement of outcomes across a range of social policy agendas. This is as much the case in community services and housing as it is in health and education. In 1995 the (then) Industry Commission instituted an annual cycle of performance monitoring for the welfare services sector; the demand for good outcome data has continued apace over the last decade. Program administrators are all too aware of the distinction between output and outcome measures, but true robust measures of outcome for disability services, aged care services, juvenile justice, child protection, homelessness services and other such programs continue to present difficulties at both the conceptual and measurement levels.

At the broadest level, outcomes for such programs could be understood to relate to the overall wellbeing of members of Australian society; these are the kinds of indicators that are set out in Chapter 2 and provide contextual information for those interested in

welfare services. Nonetheless, it is difficult to argue for clear causal links between specific programs and these broadly conceived social and economic indicators. Advocates of improved outcome data are generally interested in developing performance indicators where the link between program performance and changes in the performance indicator can be relatively clearly established.

The development of good performance indicators requires sustained collaboration between those with expertise in policy and those with expertise in statistical information. The task is characterised by measurement and conceptual difficulties; meanwhile the political implications of these data cannot be overlooked. While some progress has been made, the development of outcome measures and performance indicators remains an important area for future developmental activity.

Structure of the report

The next chapter of this report, 'Indicators of Australia's welfare', provides a context for the material on welfare services and assistance presented in subsequent chapters, and gives a broad indication of the welfare status of Australian society.

Subsequent chapters follow the long-established pattern for editions of *Australia's Welfare*, focusing in turn on children, youth and families (Chapter 3); ageing and aged care (Chapter 4); disability and disability services (Chapter 5); housing (Chapter 6); and homelessness (Chapter 7). In general, each chapter is structured to take account of recent policy developments, need for assistance, client profiles and patterns of service utilisation; as appropriate, material is also included on the role of informal care, expenditure and the outcomes of service provision.

In this edition, the traditional 'Children's and family services' chapter has been substantially expanded and developed into a special thematic chapter entitled 'Children, youth and families'. The increasing policy and public interest in the wellbeing of Australia's children was an important catalyst in the decision to produce this special chapter.

Chapter 8 'Welfare services resources' contains a wealth of material on community services labour force and expenditure. The chapter goes beyond the government sector to acknowledge and provide statistical information on the role played by the informal sector in caring for the wide variety of people who are in need of some form of assistance, whether by virtue of age, disability, health condition, family circumstances or socioeconomic context.

Finally Chapter 9 'Data environment' highlights changes and developments in national information on welfare services and assistance.

References

AIHW: Karmel R 2005a. Data linkage protocols using a statistical linkage key. Cat. no. CSI 1 (Data Linkage Series no. 1). Canberra: AIHW.

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Brook E, Rosman D, Holman C et al. 2005. Summary report: research outputs project, WA Data Linkage Unit (1995–2003). Perth: WA Department of Health.