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## CHAPTER EIGHT

### SOCIAL SECURITY AND WELFARE

The Commonwealth Government, the State governments and voluntary welfare organisations all provide social welfare services. This chapter concentrates on the benefits and services provided by the Commonwealth Government, principally those of the Departments of Social Security, Community Services and Health and Veterans' Affairs but mention is also made of the services provided by the Departments of Aboriginal Affairs, and Immigration, Local Government and Ethnic Affairs. Also included is a section relating to Income Distribution surveys which provides a summary of the distribution of money income across the Australian population.

Further, details of services administered by the Commonwealth Department of Community Services and Health are given in Chapter 9, Health. Details of pension and superannuation schemes for government and semi-government employees, mine workers, parliamentarians and employees of private business are included in Chapter 23, Private Finance.

A history of pensions in Australia is provided in a special article included at the end of the chapter.

#### Commonwealth Government expenditure on social security services

This section deals with various government payments for the relief of aged, infirm, widowed persons, sole parents, the orphaned and the unemployed, assistance to families, etc. On 1 July 1947, with the passage of the *Social Services Consolidation Act 1947*, all Acts providing social service benefits were amalgamated. The Act is at present styled the *Social Security Act 1947*.

The main social security payments provided by the Commonwealth Government under the Social Security Act, as at June 1987, and the date on which each came into operation, are shown below.

Age pension . . . . .	1 July 1909
Invalid pension . . . . .	15 December 1910
Family allowance . . . . .	1 July 1941
Widow's pension . . . . .	30 June 1942
Funeral benefit . . . . .	1 April 1943
Unemployment benefit . . . . .	1 July 1945
Sickness benefit . . . . .	1 July 1945
Special benefit . . . . .	1 July 1945
Allowances associated with the Commonwealth Rehabilitation Service (including Rehabilitation allowance) . . . . .	10 December 1948
Sheltered employment allowance . . . . .	30 June 1967
Wife's pension (superseded wife's allowance) . . . . .	5 October 1972
Supporting parent's benefit (female) . . . . .	3 July 1973
Double orphans' pension . . . . .	26 September 1973
Handicapped child's allowance . . . . .	30 December 1974
Supporting parent's benefit (male) . . . . .	10 November 1977
Rehabilitation allowance . . . . .	1 March 1983
Mobility allowance . . . . .	1 April 1983
Family income supplement . . . . .	1 May 1983
Carer's pension (subsumed spouse carer's pension) . . . . .	1 November 1985

Details of the respective rates of pensions and benefits and details of associated allowances available to certain recipients are shown, along with more specific eligibility criteria, in the Annual Report of the Department of Social Security.

**Age and invalid pensions and associated payments**

Age pension is payable to men and women who have reached the ages of 65 and 60 respectively. Age pension is generally subject to residence qualifications, an income test and an assets test.

Invalid pension is payable to persons between sixteen years of age and of age pension age who are permanently incapacitated for work to the extent of at least 85 per cent, or permanently blind. Invalid pension is paid subject to residence qualifications, an income test and an assets test. Pensions paid to the permanently blind are not subject to income and asset tests.

Sheltered employment allowance is payable to disabled people who are employed in approved sheltered employment services and are otherwise qualified to receive an invalid pension or would become so qualified if they ceased to be provided with sheltered employment. The allowance is subject to the same income and assets test as applies to the invalid pension and is paid at the same rate. It is payable in the form of a supplement to the sheltered employee's wages.

Rehabilitation allowance is payable to people (except single persons under 16 years) who receive assistance through the Commonwealth Rehabilitation Service, and who would otherwise be eligible to receive a social security payment. It is subject to the same income and assets tests as the invalid pension, and similar additional benefits are available.

A wife's pension is payable to the wife of an age or invalid pensioner when she is not entitled, in her own right, to an age or invalid pension or rehabilitation allowance. A person receiving sheltered employment allowance (and in certain circumstances, a rehabilitation allowance) does not receive a wife's pension as such, but an equivalent payment is made. There is no residence qualification, but an income or assets test applies.

A carer's pension is payable to a person providing constant care and attention for a severely disabled age or invalid pensioner who is a spouse or near relative, where the carer is not eligible for a pension in his/her own right.

Additional pension is payable for each dependent child under 16 years and dependent full-time students aged 16 to 24 years, subject to the income test. Widowed or other unmarried age or invalid pensioners with a dependent child may, in addition, receive a guardian's allowance. Rent assistance, subject to a special income test, is available to pensioners if they pay rent or pay for board or lodging. All recipients of sheltered employment allowance and certain others receive a means test free incentive allowance in lieu of rent assistance. Remote area allowance is payable to pensioners living in certain remote areas, except for those aged 70 years or more receiving the special rate of age pension.

**AGE PENSIONERS: 30 JUNE**

Age	1985	1986	1987
60-64 years . . . . .	167,250	163,841	161,355
65-69 years . . . . .	303,105	298,270	297,113
70-74 years . . . . .	345,205	336,506	325,983
75 years and over . . . . .	516,222	525,983	537,503
<b>Total . . . . .</b>	<b>1,331,782</b>	<b>1,324,600</b>	<b>1,321,954</b>
Number of wife's/carer's pensioners (a) . . . . .	23,558	24,183	24,770
		—\$'000—	
Total payments during year . . . . .	5,638,926	5,897,156	6,257,148

**INVALID PENSIONERS: 30 JUNE**

Age	1985	1986	1987
16-19 years . . . . .	7,409	7,464	7,768
20-39 years . . . . .	56,176	58,414	60,114
40-59 years . . . . .	141,725	149,497	156,893
60 years and over . . . . .	53,852	58,435	64,385
<b>Total . . . . .</b>	<b>259,162</b>	<b>273,810</b>	<b>289,160</b>
Number of wife's/carer's pensioners (a) . . . . .	75,855	83,212	90,202
		—\$'000—	
Total payments during year . . . . .	1,469,772	1,673,523	1,912,167

(a) Includes allowances, rent assistance and wives pensions where applicable.

At 30 June 1987, 186 sheltered employment services were paying the allowance to 10,559 disabled employees. Expenditure during the year 1986-87 was \$63.9 million.

At 30 June 1987, there were 2,887 persons in receipt of rehabilitation allowances. Expenditure during the year 1986-87 was \$25.4 million.

### Widows' pensions and associated payments

There are three categories of widow pensioners:

**Class 'A'**. A widow who has one or more qualifying children under the age of sixteen years or dependent full-time students aged 16 to 24.

**Class 'B'**. A widow who, because she has no qualifying children or students in her custody, care and control, is not eligible for a Class 'A' widow's pension but is either at least 50 years of age or, after having reached the age of 45, has ceased to receive a Class 'A' pension by reason of ceasing to have a qualifying child or student.

**Class 'C'**. A widow not eligible for Class 'A' or Class 'B' widow's pension, who is under 50 years of age and is in necessitous circumstances in the 26 weeks following her husband's death.

A widow's pension is income and assets tested and is not payable to a woman receiving an age or invalid pension, a supporting parent's benefit, an unemployment, sickness or special benefit, a sheltered employment allowance, or a war widow's pension.

In addition to the basic pension, a mother's/guardian's allowance and additional pension for each dependent child are payable in the case of a widow with children. Rent assistance is also available to widows if they pay rent or pay for board or lodging. Remote area allowance is payable to widows living in certain remote areas.

#### WIDOW PENSIONERS, BY AGE: 30 JUNE

Age	1985	1986	1987
Class A widow pensioners aged—			
Under 20 years . . . . .	49	50	57
20-29 years . . . . .	8,942	7,880	6,917
30-39 years . . . . .	34,434	32,424	29,832
40-49 years . . . . .	25,609	25,199	24,849
50-59 years . . . . .	9,064	8,450	8,011
60 years and over . . . . .	180	177	186
Class B widow pensioners aged—			
45-49 years . . . . .	3,887	4,111	4,298
50-54 years . . . . .	20,110	19,843	20,184
55-59 years . . . . .	39,035	38,374	37,870
60 years and over . . . . .	18,509	19,013	19,764
Class C widow pensioners . . . . .			
	96	102	136
<b>Total . . . . .</b>	<b>159,915</b>	<b>155,623</b>	<b>152,104</b>
	—\$'000—		
<b>Total payments during year (a) . . . . .</b>	<b>889,380</b>	<b>924,517</b>	<b>952,652</b>

(a) Includes payment to benevolent homes for maintenance of pensioners. It also includes rent assistance and allowances.

### Supporting parent's benefit and associated payments

Supporting parent's benefit was introduced in November 1977 to extend to supporting fathers the same benefit that had previously been available to supporting mothers through supporting mother's benefit. The benefit is available to sole parents who have a child under 16 years or a dependent full-time student aged 16 to 24 years. It is subject to an income and an assets test. Additional payments are the same as for the widow's pension.

#### SUPPORTING PARENTS, BY AGE AND TYPE: 30 JUNE

Age and type of beneficiary	1985	1986	1987
Age—			
Under 20 years . . . . .	9,971	9,968	9,693
20-29 years . . . . .	76,332	79,164	78,844
30-39 years . . . . .	57,968	62,311	64,115
40-49 years . . . . .	19,584	21,000	22,330
50-59 years . . . . .	3,926	4,043	3,967
60 years and over . . . . .	236	244	234

SUPPORTING PARENTS, BY AGE AND TYPE: 30 JUNE—*continued*

<i>Age and type of beneficiary</i>	1985	1986	1987
Type of beneficiary—			
Females—			
Unmarried mothers . . . . .	44,104	45,385	45,025
Separated wives . . . . .	94,931	102,184	106,134
Separated de facto wives . . . . .	19,246	19,091	17,773
Males—			
Widowers . . . . .	1,140	1,159	1,036
Divorcees . . . . .	1,502	1,485	1,401
Separated husbands . . . . .	5,555	5,929	6,418
Separated de facto husbands . . . . .	1,349	1,242	1,057
Other . . . . .	190	255	339
Number of beneficiaries . . . . .	168,017	176,730	179,183
	—\$'000—		
Total payments during year (a) . . . . .	1,066,197	1,237,959	1,366,717

(a) Includes rent assistance and allowances.

### Unemployment, sickness and special benefits and associated payments

Unemployment and sickness benefits are paid to men over 16 and under 65 years of age, and to women over 16 and under 60 years of age, who are unemployed or temporarily incapacitated for work. They must have been living in Australia during the preceding twelve months or be likely to remain permanently in Australia. Both benefits are subject to an income test. A person cannot receive both benefits simultaneously, nor can a person receive either benefit at the same time as an invalid, widow's, service pension or supporting parent's benefit.

For unemployment benefit purposes, people must establish that they are unemployed, that their unemployment is not due to industrial action by themselves or by members of a union of which they are a member, that they are capable and willing to undertake suitable work, and that they have taken reasonable steps to obtain such work. Registration for employment with the Commonwealth Employment Service is necessary. For sickness benefit purposes, people must establish that they are temporarily incapacitated for work because of sickness or injury and that they have thereby suffered a loss of salary, wages or other income.

A special benefit may be granted to persons not qualified for unemployment or sickness benefit who are not eligible for any pension, and who, because of age, physical or mental disability or domestic circumstances, or any other reason, are unable to earn a sufficient livelihood for themselves and their dependants. Recipients of special benefits include, among others, persons ineligible for a pension or benefit because of lack of residence qualifications and migrants in government accommodation centres awaiting their first employment in Australia.

The benefit is designed to meet cases of special need and may also be paid as income support over a period if no other social security benefit is payable. The rate paid may not exceed the rate of unemployment or sickness benefit.

All beneficiaries with dependent children are eligible for an additional benefit for each dependent child. In addition, sole parents are eligible for mother's/guardian's allowance. After the benefit has been paid for six consecutive weeks a sickness beneficiary who is paying rent or is paying for board or lodging may be entitled to rent assistance. This assistance is available to unemployment or special beneficiaries who have been in receipt of benefit, generally for a continuous period of 26 weeks, if they are married, single with dependent children, single aged 25 years or more, or single aged 18 to 24 years and are living with a parent or guardian. A young homeless allowance is available to unemployment, sickness and special beneficiaries under 18 years, who are homeless and without parental or custodial support.

UNEMPLOYMENT, SICKNESS AND SPECIAL BENEFITS: YEAR ENDED 30 JUNE			
	1985	1986	1987
Unemployment beneficiaries—			
Number of benefits granted . . . . .	860,481	811,799	872,866
Number on benefit at end of year . . . . .	561,400	569,761	550,850
Average number on benefit at end of each week during year . . . . .	581,720	559,237	574,385
Sickness beneficiaries—			
Number of benefits granted . . . . .	141,277	143,164	154,430
Number on benefit at end of year . . . . .	63,004	65,301	70,261
Average number on benefit at end of each week during year . . . . .	62,420	63,481	67,748
Special benefit beneficiaries—			
Number of benefits granted . . . . .	98,812	98,044	96,325
Number on benefit at end of year . . . . .	18,925	18,579	19,875
Average number on benefit at end of each week during year . . . . .	18,478	18,302	19,158
Amount paid during year(a)—			
Unemployment . . . . .	2,983,605	3,122,120	3,453,802
Sickness . . . . .	364,628	391,820	429,368
Special benefit . . . . .	100,282	108,131	124,607

(a) Includes additional allowances.

## Fringe benefits

The Commonwealth Government makes several non-cash 'fringe benefits' available to pensioners and recipients of supporting parent's and sickness benefits, and their dependants, who are entitled to a Pensioner Health Benefits (PHB) card or, in the case of sickness beneficiaries, a Health Benefits (HB) card. The issue of a PHB card is subject to a special income test. The benefits include:

- a range of free pharmaceuticals;
- a one-third reduction in telephone rental (subject to the income of co-residents);
- reduced fares for Commonwealth Government railway services;
- postal redirection concessions;
- free hearing aids services.

State and Territory governments, local government authorities and private organisations also provide certain fringe benefits. The most valuable of these are reductions in local government rates and in public transport charges.

There were 1,767,058 pensioners at 30 June 1987 with PHB cards entitling them to Commonwealth pensioner fringe benefits.

The majority of unemployment and special beneficiaries, other persons on low income and certain others, receive a Health Care card entitling them to a range of pharmaceuticals at a concessional rate. This concession is also available to pensioners whose income and assets exceed the qualifying limits for fringe benefits.

## Family allowances

A family allowance is paid free of means test to a person with children under 16 years and in certain circumstances with full-time students aged 16 to 24 years who are wholly or substantially dependent on that person. An additional allowance is payable in respect of multiple (three or more) births until the children turn six years. Family allowance is not paid for students receiving AUSTUDY or certain other Commonwealth education allowances. Payment is usually made to the mother. Approved charitable, religious or government institutions are paid family allowance for children in their care.

Generally, to be granted an allowance the person and the child must be in Australia and be Australian citizens, or intend to remain in Australia permanently. If neither of these conditions is met, the allowance is payable after the claimant and child have been resident in Australia for 12 months immediately preceding lodgement of the claim. Under certain conditions, family allowance may be paid to Australians who are temporarily absent overseas.

## FAMILY ALLOWANCES: 30 JUNE 1987

Number of children and students in family	Number of families								
	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Total(a)
1 . . . . .	277,276	205,129	131,794	69,323	74,016	22,732	9,187	15,362	804,819
2 . . . . .	285,850	218,761	138,949	73,942	81,711	24,005	8,600	16,994	848,812
3 . . . . .	121,162	92,954	61,898	26,542	34,183	10,372	3,974	7,274	358,359
4 . . . . .	33,386	24,625	18,092	6,190	8,703	2,762	1,439	1,796	96,993
5 . . . . .	6,887	4,826	4,133	1,139	1,715	573	471	362	20,106
6 . . . . .	1,885	1,196	1,095	281	464	129	159	93	5,302
7 . . . . .	519	355	357	68	132	31	53	27	1,542
8 . . . . .	163	108	109	24	36	11	20	8	479
9 . . . . .	56	56	37	6	11	3	6	2	177
10 or more . . . . .	23	23	22	2	6	—	2	1	79
<b>Total families . . . . .</b>	<b>727,207</b>	<b>548,033</b>	<b>356,486</b>	<b>177,517</b>	<b>200,977</b>	<b>60,618</b>	<b>23,911</b>	<b>41,919</b>	<b>2,136,668</b>
No. of children in families . . . . .	1,397,427	1,055,413	698,927	329,717	387,531	116,877	47,979	81,005	4,114,876
No. of children in approved institutions . . . . .	4,986	1,325	2,673	238	829	134	51	47	10,283
									—\$'000—
Amount paid during year . . . . .	496,780	355,773	234,922	124,909	129,138	39,463	(a)	(a)	1,381,022

(a) Expenditure for N.T. and A.C.T. included in expenditure for S.A. and N.S.W. respectively

### Family income supplement

Family income supplement is paid subject to an income test to low-income families with one or more children eligible for family allowance so long as they are not in receipt of any Commonwealth pension, benefit or allowance which provides additional payment for dependent children, and so long as the children of these families are not receiving means-tested Commonwealth payments. The number of families in receipt of family income supplement at 30 June 1987 was 32,803. The amount paid during the year 1986-87 was \$60,560,000.

### Handicapped child's allowance

Parents or guardians of a child under 16 years or a dependent full-time student who is severely disabled mentally and/or physically, is living in the home, and needs constant care and attention, are entitled to a handicapped child's allowance. The allowance is not subject to an income test, but a residence qualification similar to that for family allowance applies. The allowance is also available to persons on low incomes who are caring for a substantially disabled child and are suffering severe financial hardship as a result of expenditure associated with the child's disability. The number of handicapped child's allowances being paid at 30 June 1987 was 31,061. The total amount paid through these allowances during the year 1986-87 was \$29.1 million.

### Double orphans' pension

Double orphans' pension is payable free of means test with respect to children under 16 years, or dependent full-time students under 25 years, whose parents are both dead or one parent is dead and the other is not available to care for the child. The family allowance residence test applies. The pension may also be paid with respect to a refugee child whose parents are both outside Australia, or their whereabouts is unknown.

### Mobility allowance

Mobility allowance is a payment, free of means test, for disabled people unable to use public transport without assistance who are employed or undertaking vocational training.

### Funeral benefit

This benefit is a small lump sum payment to assist in meeting the costs of funerals of deceased pensioners or their dependants.

### **Special temporary allowance**

On the death of one of a married pensioner couple, the surviving pensioner is entitled to receive the equivalent of twelve weeks combined pension payments.

### **Portability of social service payment**

Age, invalid and widows' pensions and supporting parent's benefits continue in force for recipients who have left Australia unless they left before 8 May 1973 or their pension or benefit is subject to the provisions of either of the reciprocal agreements with New Zealand or the United Kingdom. In certain cases of hardship, the pension or benefit may continue for people who left before 8 May 1973. The number of Australian pensions being paid overseas under the general portability provisions at 30 June 1987 was 25,816.

### **Other services of the Department of Social Security and the Department of Community Services and Health**

The Department of Social Security provides a professional social work service and Ethnic and Aboriginal Liaison Office Schemes. The Department of Community Services and Health administers grants to major national welfare organisations such as: Australian Council of Social Service, Australian Council of the Ageing, Australian Council for Rehabilitation of Disabled, Australian Early Childhood Association and to non-government welfare agencies providing emergency relief or in financial difficulties.

To assist in its role of advising the government on income support policy and to administer its programs efficiently and fairly, the Department of Social Security initiates, develops and undertakes experimental projects and undertakes research studies. The Department also provides funding to the Social Welfare Research Centre at the University of New South Wales.

## **Commonwealth Government assistance through welfare organisations**

### **Supported Accommodation Assistance**

The *Supported Accommodation Assistance Program* (SAAP) was introduced in all States and Territories from 1 January 1985. It incorporated former programs such as the *Women's Emergency Services Program*, the *Youth Services Scheme* and the *Homeless Persons' Assistance Program*. SAAP consolidated and improved the co-ordination of former Commonwealth/State and Commonwealth programs and has been developed jointly with States and Territories in consultation with service providers and users.

SAAP aims to provide supported accommodation services and related support services to men, women, young people and their dependants, who are permanently or temporarily homeless as a result of crisis, and who need such assistance to move toward independent living where possible and appropriate.

SAAP provides recurrent and capital non-housing funds to non-profit organisations and local government bodies for supported accommodation such as refuges, hostels and half-way houses and for related support services such as meals services, non-clinical community based rape crisis centres, day centres, detached workers and referral services. A complementary *Crisis Accommodation Program* (CAP) within the Commonwealth/State Housing Agreement provides capital housing funds for SAAP services. CAP also provides some capital funding for unsupported accommodation.

SAAP comprises the following three sub-programs:

- *Youth Supported Accommodation Program* (YSAP)—services for young people aged 12–25 years, and, if applicable, their dependants.
- *Women's Emergency Services Program* (WESP)—services for women, and women with dependent children, escaping from intolerable domestic circumstances or other crisis situations.
- *General Supported Accommodation Program* (GSAP)—services for homeless men, women, and any dependants, and for services which do not clearly come within YSAP or WESP.





Police train drug-sniffer dogs at Sydney airport.



Mounted policeman in Sydney traffic.



Bushrangers attacking a mail coach in 1864. An artist's reconstruction by S. T. Gill which is in the Mitchell Library, Sydney.



Mitchell Building, Adelaide University.



The Spastic Centre, Sydney.

Sydney Dance Company performs *Viridan*.





Australian asthma study of Dust-Mite allergy.



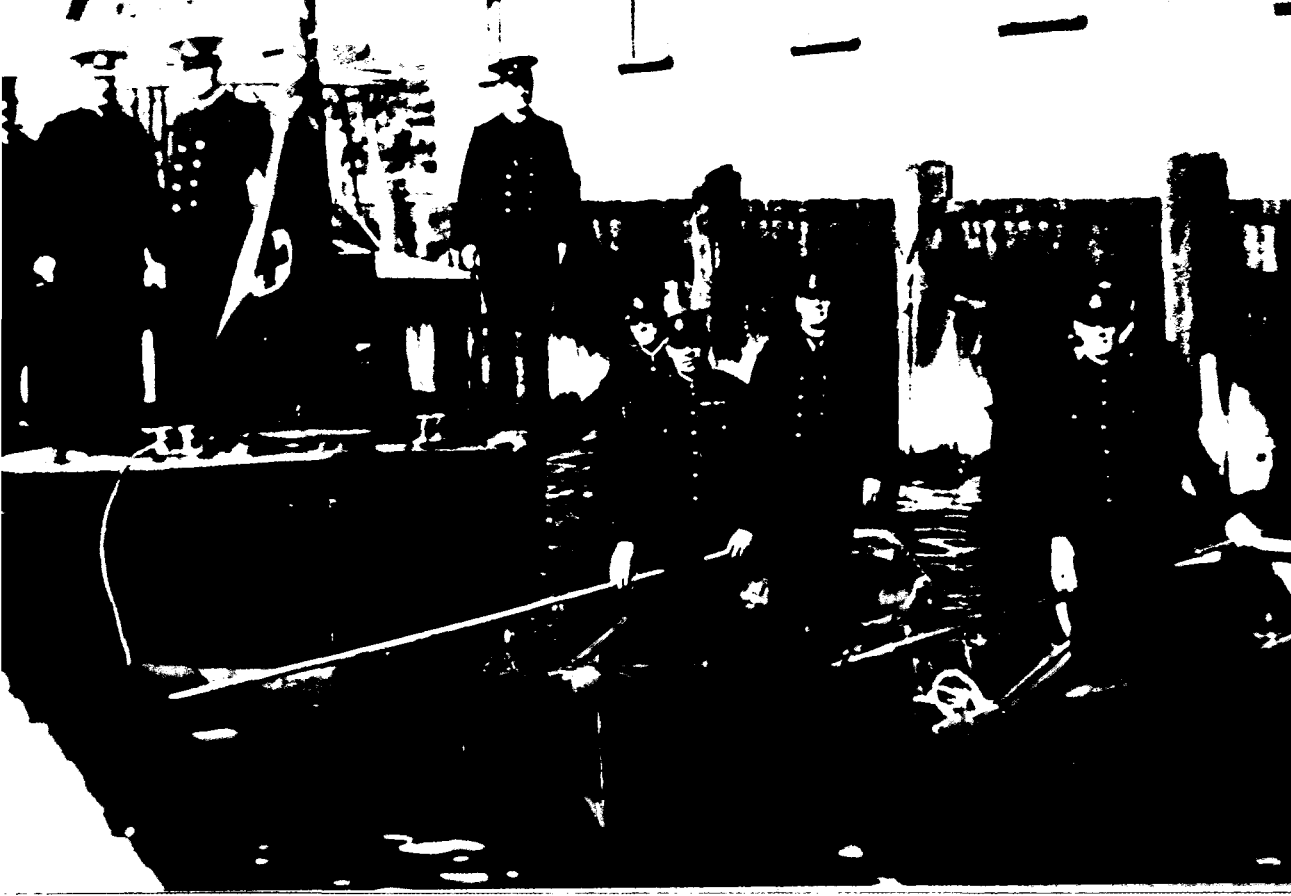
A Canberra pre-school.



Teacher from Western Australia mobile TAFE teaches welding.

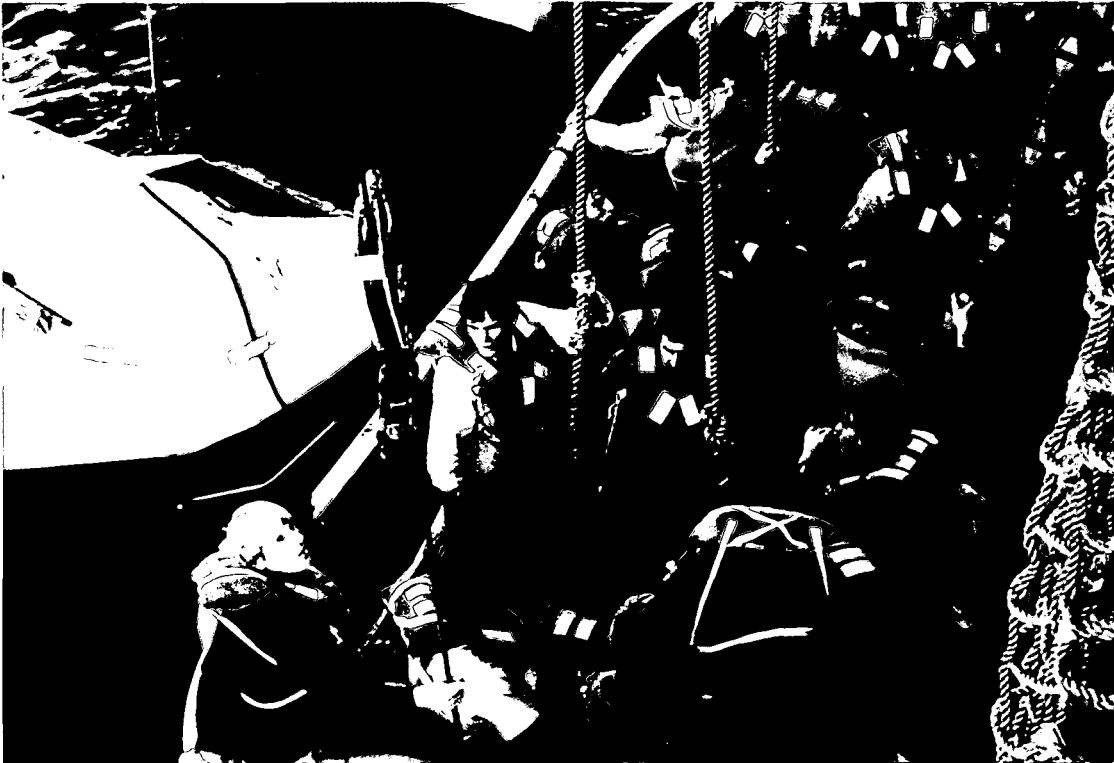


Neonatal intensive care at Queen Victoria Medical Centre, Melbourne.



N.S.W. Water Police, circa 1920.

Lifeboat towing a raft during an exercise, Australian Maritime College.



The *Supported Accommodation Assistance Act 1985* provides the legislative base for the program, which is administered on a day to day basis by State and Territory governments in accordance with the SAAP Agreement and national guidelines. Commonwealth/State advisory structures involving both levels of government and service providers have been established in States and Territories to advise on program needs and priorities.

In 1983-84 the Commonwealth spent \$14.9 million on programs later incorporated in SAAP, including the *Homeless Persons' Assistance Program*. Between 1984-85 and 1986-87, Commonwealth SAAP expenditure increased from \$30.0 million to \$49.1 million. States and Territories are required to match nominated Commonwealth expenditure on SAAP.

### Home and Community Care Program

In the 1984-85 Budget, the Commonwealth Government announced its intention to restructure support through a proposed *Home and Community Care Program* for frail aged persons, non-aged persons with disabilities, and their carers who were in need of home care services.

The *Home and Community Care Program* (HACC) was established by the *Home and Community Care Act 1985* with a major objective of preventing the inappropriate or premature admission of people with functional disabilities to long-term residential care. The program is jointly funded by the Commonwealth and State Governments with the aim of providing a comprehensive range of home and community care services to the target population.

The basis of HACC comprised the services provided under four subsumed Acts:

- The *States Grants (Home Care) Act 1969*, under which the Commonwealth cost-shared with the States the provision of home care services and senior citizens' centres, and cost-shared with organisations the salaries of welfare officers of senior citizens' centres.
- The *States Grants (Paramedical Services) Act 1969* under which, in the three participating States, the Commonwealth cost-shared the provision of home based paramedical services such as physiotherapy and occupational therapy.
- The *Home Nursing Subsidy Act 1956* which provided for Commonwealth subsidy to home nursing organisations not exceeding the contribution of State or local governments to the home nursing service.
- The *Delivered Meals Subsidy Act 1970* under which the Commonwealth provided various levels of assistance to organisations delivering meals to the aged or invalid pensioners.

A number of new service types including transport, linen/laundry, respite care, day care, expanded food service and personal care, have been developed since HACC commenced. These, together with the basic services, are designed to meet a wide range of needs.

The importance of HACC within the government's overall plan to enhance the independence, security, and quality of life of individuals was further recognised by the announcement of additional funds in the 1986-87 Budget. These funds will be available over 4 years (\$5.0 million in 1987-88, \$8.0 million in 1988-89, \$15.0 million in 1989-90 and \$20.0 million in 1990-91). It is intended that the first projects to use these funds will be aimed at achieving the better integration and co-ordination of service delivery within the community.

The Commonwealth also produced a policy document in November 1986, *The HACC Program—Commonwealth Priorities for Service Development*, which identified Commonwealth views on the future direction of the program and major issues which needed to be addressed. In addition, under the terms of their Agreements, aspects of the program are to be reviewed by the Commonwealth and the States/Territories by the end of 1987-88.

#### COMMONWEALTH EXPENDITURE ON HOME AND COMMUNITY CARE PROGRAM (S'000)

	1985-86	1986-87
HACC payments to the States and the Northern Territory . . . . .	100,501	134,343
HACC payments to the Australian Capital Territory . . . . .	343	770
Planning and development . . . . .	90	260
<b>Total expenditure . . . . .</b>	<b>100,934</b>	<b>135,373</b>

## Programs for families with children

The *Children's Services Program* provides grants to local government authorities and non-profit community organisations for a range of child care services. Children of working parents are catered for by centres or through other families and by out-of-school care services. Occasional care services are provided for the children of parents who are at home and who need a few hours a week without their children.

Other services funded under the program include special services for Aboriginal children and children with disabilities or of non-English speaking background, as well as resource and advisory services for child care service providers.

The *Family Support Services Scheme* was administered jointly with State and Northern Territory governments. It provided funds for a range of services offering coping and counselling skills to families in stress. The *Family Support Program*, which commenced on 1 January 1987, replaced this scheme. It is a joint Commonwealth/State funded venture. Services funded under the new program will help all kinds of families with young children by strengthening the helping resources already available in most communities.

### EXPENDITURE ON CHILDREN'S SERVICES PROGRAM (S'000)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Pre-school . . . . .	33,005	33,090	33,090	33,090	16,545	—
Other children's services (a) . . . . .	47,355	64,954	80,125	122,726	150,072	181,245
<b>Total expenditure . . . . .</b>	<b>80,360</b>	<b>98,044</b>	<b>113,215</b>	<b>155,816</b>	<b>166,617</b>	<b>181,245</b>

(a) Including Family Support Services Scheme and Family Support Program.

## Emergency relief grants

The *Emergency Relief Program* provides community welfare organisations with grants to help them make emergency relief payments to individuals and families experiencing temporary financial crisis, the solution to which is beyond their own resources.

To improve the effectiveness of the program, Commonwealth/State advisory committees in each State and Territory recommend which agencies should receive funds. The committees consist of representatives of the Commonwealth Departments of Community Services and Health, Social Security, Aboriginal Affairs, State/Territory welfare departments and the non-government sector, represented by the relevant State/Territory Council of Social Service.

### COMMONWEALTH EMERGENCY RELIEF APPROPRIATIONS

Financial year	Appropriation
	\$
1981-82 . . . . .	500,000
1982-83 . . . . .	2,500,000
1983-84 . . . . .	5,000,000
1984-85 . . . . .	5,950,000
1985-86 . . . . .	6,000,000
1986-87 . . . . .	6,320,000

## People with disabilities

Under Part II of the *Disability Services Act 1986*, the Commonwealth provides grants to States and eligible organisations (non-profit and local government bodies and tertiary institutions) towards the recurrent and capital costs of a range of eligible services. These services include accommodation support, advocacy, competitive employment training and placement, independent living training, information, print disability services, recreation, respite care, and supported employment.

For services to be eligible for funding they must cater predominantly for persons with a disability, whose disability results in their having a substantially reduced capacity for communication, learning or mobility. The disability must be attributable to an intellectual, psychiatric, sensory or physical impairment or a combination of such impairments, and be permanent or likely to be permanent.

The Disability Services Act requires organisations to report regularly on the extent to which they have achieved positive consumer outcomes for their clients. In addition, formal reviews of their services are scheduled every five years.

The funding for eligible services in 1986-87 amounted to \$126.6 million. An estimated 35,000 people with disabilities receive services from funded organisations.

The Department of Community Services and Health's Rehabilitation Services provide social and vocational rehabilitation services for working age people with disabilities. The major criterion for acceptance into a rehabilitation program is the expectation of significant gain towards independent living or vocational goals.

Services are provided from and arranged through a national network of some 80 regional rehabilitation units. Programs may include:

- employment, vocational, mobility and other independent living training and education courses;
- diagnostic and assessment services, occupational therapy, physiotherapy, speech therapy and counselling services;
- aids and appliances and home, vehicle and workplace modifications;
- associated accommodation and training allowances.

In 1986-87, about 5,000 people commenced rehabilitation. The 1986-87 expenditure for rehabilitation services was \$8.3 million consisting of \$4.7 million for client services and \$3.6 million by way of Training Allowances and Living Away from Home Allowance payments. The number of clients commencing rehabilitation programs is expected to rise to about 7,000 in 1987-88 reflecting an anticipated increased demand for rehabilitation services as:

- access to services in client's local communities is increased through enlargement and consolidation of services offered through regional rehabilitation units;
- increases occur in numbers of compensable clients referred from accident insurance authorities.

In the 1986-87 Budget, the Commonwealth introduced a number of initiatives aimed at improving the accommodation options available to younger people with disabilities. It was found in the Handicapped Programs Review and the Review of Nursing Homes and Hostels that many younger people with disabilities were being housed in nursing homes which were quite inappropriate for their needs, minimising the opportunity for self-development afforded by less restrictive types of accommodation. These initiatives comprise:

- increasing the number of accommodation places available for disabled people over the next three years;
- providing attendant care services in the community for some of those severely physically disabled people who presently live in Commonwealth funded nursing homes and are capable of managing their own affairs;
- commencing a gradual down-scaling of some special purpose nursing homes by relocating residents in the community.

## **Residential care for aged people**

The aim of the Commonwealth Government's residential care program is to ensure access by frail aged and disabled people to the combination of services which is most appropriate to their needs and which will promote their independence. Support is provided by the Commonwealth for two main types of residential care services—nursing homes and hostels. Nursing homes provide services for people who need continuous professional nursing and personal care, while hostels provide a wide range of accommodation and personal care services for less dependent aged and disabled people.

Two of the key objectives of the residential care program are to provide a range of accommodation and care services to meet the assessed needs of aged persons, and to promote the quality of life for residents receiving such care. There is concern that, to date, the public has perceived nursing homes as being the principal form of care for elderly people, and that there has been an over-emphasis in the level of resources supplied to this sector. The admission of people to nursing homes, where this level of care is not essential, disadvantages those people and results in fewer resources being available to support other types of care for other aged and disabled people. As a result, the Government is developing a range of policies to prevent inappropriate admissions to nursing homes, to ensure that the growth of nursing homes is curtailed, and to develop further alternative residential accommodation and care options, together with expanded community care options.

## Commonwealth Government funding arrangements

### Recurrent funding

The Commonwealth provides recurrent funding to nursing homes to provide accommodation and care services for approved residents. The amount of the Commonwealth funding varies between States and is dependent on the fee that is approved for individual homes having regard to a minimum resident contribution and a State maximum benefit level. Residents are required to pay a minimum contribution equal to 87.5 per cent of the single age pension, including rental assistance.

The Commonwealth also pays subsidies to approved residents in hostels. These subsidies are payable according to the degree of resident dependency. In addition, a respite care subsidy is paid to help hostels meet the cost of providing short term accommodation and care for people normally living in the community.

The Commonwealth is currently introducing major changes to the funding arrangements for nursing homes in order to introduce more equitable arrangements more appropriate to residents' needs. The new arrangements involve the phased introduction of standard resident fees and standard Commonwealth benefits. When the transition has been completed in 1991, residents will be required to only pay the equivalent of 87.5 per cent of the single age pension, including rental assistance.

In 1987-88, the Commonwealth, in consultation with the States, is developing national uniform nursing and personal care staffing standards for nursing homes. Uniform standards in this area will overcome the existing inequitable arrangements, whereby the levels of staffing hours vary markedly between nursing homes and between States, without regard to the level of dependency of the residents.

In addition to the general recurrent funds, financial assistance is available under the *Special Services Program* to prolong the relative independence of aged people in residential care, as well as to develop the provision of services appropriate to the needs of special groups. Services funded under this program include grants to hostels for services to dementia sufferers. The number of facilities receiving subsidies under the *Special Services Program*, together with the amounts received, are given in the following tables.

### RESIDENTIAL CARE RECURRENT FUNDING

		1984-85	1985-86	1986-87
<b>Hostels—</b>				
Approved premises (a)	No.	920	884	946
Residents (a)	No.	35,605	38,227	39,568
Expenditure	\$'000	55,520	58,960	67,027
<b>Nursing Homes—</b>				
<b>Approved premises (a)</b>				
Deficit financed (b)	No.	410	424	426
State government	No.	170	174	177
Private	No.	755	744	741
Charitable and religious	No.	136	139	142
<b>Total</b>	<b>No.</b>	<b>1,471</b>	<b>1,481</b>	<b>1,486</b>
<b>Residents (a)</b>				
Deficit financed (b)	No.	18,706	19,161	19,382
Government	No.	14,746	14,791	14,645
Private	No.	35,130	34,937	34,872
Charitable and religious	No.	6,620	6,817	7,033
<b>Total</b>	<b>No.</b>	<b>75,202</b>	<b>75,706</b>	<b>75,932</b>
<b>Expenditure—</b>				
Deficit financed (b)	\$'000	283,300	306,646	354,015
Government	\$'000	177,811	182,039	184,180
Private, charitable and religious	\$'000	479,514	521,410	589,145
<b>Total</b>	<b>\$'000</b>	<b>940,625</b>	<b>1,010,095</b>	<b>1,127,340</b>
<b>Special services/dementia—</b>				
Facilities	No.	14	25	166
Expenditure	\$'000	400	550	4,594

(a) As at 30 June. (b) 'Deficit Financed' refers to nursing homes which were operated by Charitable and Religious bodies under deficit funding arrangements. As at 30 June 1987 all but a quarter of these homes have changed to a new funding arrangement common with both private sector, and other Charitable and Religious homes. Those homes which will remain under the deficit funding arrangements primarily provide services to the young disabled.



## RESIDENTIAL CARE, RECURRENT FUNDING BY STATE, 1986-87

		N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Total
<b>Hostels—</b>										
Approved premises										
(a)	No.	283	226	171	114	122	23	2	5	946
Residents (a)	No.	12,556	9,123	7,907	4,932	3,942	708	57	343	39,568
Expenditure	\$'000	21,787	15,869	12,368	8,539	6,444	1,349	102	569	67,027
<b>Nursing Homes—</b>										
Approved premises (a)										
Deficit Financed (b)	No.	146	86	74	63	27	29	1	0	425
Government	No.	32	83	23	5	25	6	1	2	177
Private	No.	291	221	78	83	56	10	1	1	741
Charitable and Religious	No.	56	16	37	10	13	8	1	1	142
Total	No.	525	406	212	161	121	53	4	4	1,486
Residents (a)—										
Deficit Financed (b)	No.	7,278	3,142	3,743	2,995	1,204	965	55	0	19,382
Government	No.	3,128	4,947	2,481	1,141	1,808	862	24	254	14,645
Private	No.	16,512	7,359	4,471	3,206	2,938	286	40	60	34,872
Charitable and Religious	No.	3,218	618	1,744	322	669	343	12	107	7,033
Total	No.	30,136	16,066	12,439	7,664	6,619	2,456	131	421	75,932
Expenditure—										
Deficit Financed (b)	\$'000	122,207	71,276	56,420	63,735	23,413	15,735	1,229	0	354,015
Government	\$'000	35,808	82,083	26,327	12,019	18,037	6,613	372	2,921	184,180
Private Charitable and Religious	\$'000	261,383	144,935	72,433	54,947	45,519	7,096	868	1,964	589,145
Total	\$'000	419,398	298,294	155,180	130,701	86,969	29,444	2,469	4,885	1,127,340
<b>Special services/dementia—</b>										
Facilities	No.	46	60	36	16	5	2	0	1	166
Expenditure	\$'000	1,489	1,321	978	455	256	59	0	36	4,594

(a) As at 30 June. (b) 'Deficit Financed' refers to nursing homes which were operated by Charitable and Religious bodies under deficit funding arrangements. As at 30 June 1987 all but a quarter of these homes have changed to a new funding arrangement common with both private sector, and other Charitable and Religious homes. Those homes which will remain under the deficit funding arrangements primarily provide services to the young disabled.

**Capital funding**

Under the *Aged or Disabled Persons Homes Act 1954* and the *Aged or Disabled Persons Hostels Act 1972*, the Commonwealth contributes towards the capital costs for either the purchase of land and construction, or the purchase of hostels and nursing homes, to be used to accommodate aged people. In some cases, funds are also available to upgrade existing accommodation. Up to 100 per cent of capital funding can be provided for financially disadvantaged groups, including Aboriginals and ethnic groups.

## RESIDENTIAL CARE CAPITAL FUNDING

		1984-85	1985-86	1986-87
Grants approved	No.	125	120	227
Amounts approved	\$'000	42,666	46,469	106,634
<b>Beds included in approvals—</b>				
Self-contained units	No.	289	178	0
Hostels	No.	1,452	834	3,567
Nursing homes	No.	656	535	1,304
Total	No.	2,397	1,547	4,871

## RESIDENTIAL CARE CAPITAL FUNDING BY STATE, 1986-87

		<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Total</i>
Grants approved . . . . .	No.	63	70	51	15	12	11	0	5	227
Amounts approved . . . . .	\$'000	35,888	25,419	24,527	6,982	5,547	4,019	0	4,252	106,634
Beds included in approvals—										
Hostels . . . . .	No.	1,229	1,005	792	72	188	157	0	124	3,567
Nursing Homes . . . . .	No.	414	191	265	265	60	49	0	60	1,304
<b>Total . . . . .</b>	<b>No.</b>	<b>1,643</b>	<b>1,196</b>	<b>1,057</b>	<b>337</b>	<b>248</b>	<b>206</b>	<b>0</b>	<b>184</b>	<b>4,871</b>

### Planning mechanisms

The focus of the long term strategy of the government is a commitment to provide in each State 100 residential care places per 1,000 persons aged over 70 years. This would comprise approximately 60 hostel and 40 nursing home beds, a target to be achieved over the next twenty years. As at June 1987, the national nursing home/hostel ratio was almost the reverse of this, with there being 64 nursing home beds and 37 hostel beds per 1,000 persons aged over 70 years. To correct existing imbalances, it is intended that only 10 per cent of any new beds approved will be for nursing homes, with the remainder being hostel places. From 1987 to 1990, it is expected that approximately 1,400 new nursing home beds and 12,000 new hostel beds will be approved. This planning mechanism provides the control of the rate of future growth of nursing homes and allows for the relocation of resources to other aspects of care for the aged and disabled. To complement the planning procedure, there are improved arrangements for admission control to nursing homes to ensure that only persons for whom nursing home care is the most appropriate option receive Commonwealth benefits.

### Assessment services

The government recognises the need for a more complete and effective assessment of care needs of frail elderly people. Policies are being implemented to ensure that aged people should have appropriate advice to assist them to choose suitable services. In order to satisfy these requirements, funding has been provided for the development of assessment services which will assess the medical, psychological and social needs of aged persons. An Australia-wide network of assessment teams will be developed over the next five years in co-operation with State and Territory governments. These services will be able to assess people in their own homes, in hospitals or in extended care facilities. It is intended that in the next three to five years, the teams will take over the full responsibility for both assessing all people seeking nursing home admission and determining hostel subsidy eligibility.

### Quality of care

The Commonwealth has had an on-going responsibility for the physical environment of nursing homes and hostels. This responsibility is backed up by regular inspection of facilities. However, as a reflection of the concern for the needs of the individuals within residential facilities, there has been a significant change in focus, towards the outcome of the service, that is, the quality of care and quality of life of residents.

In the past, regulations and legislation have primarily addressed the inputs to care and the physical environment of nursing homes, rather than the outcomes. The new outcome standards for nursing homes, developed over the past year by the Commonwealth, State and Territory Governments working in consultation with people and groups involved in the nursing home industry, describe the care and lifestyle objectives of nursing homes. The intent of the standards is to encourage and enable residents to perform activities, maintain responsibilities and receive support according to their individual needs and capacities. The Commonwealth/State Working Party on Nursing Home Standards has sought to ensure that the standards developed are achievable by service providers, relevant to actual wishes and needs of residents, and able to be monitored. Since 1 July 1987, ongoing funding of nursing homes has been conditional on compliance with standards.

### Equity of access to residential care

A key element of the needs-based planning mechanism noted above is to ensure equity of access to residential care for special needs groups in all geographic areas. In particular, steps

are being taken to improve access by the ethnic and Aboriginal communities. In addition, the Commonwealth uses approaches such as fees control in nursing homes and quotas in hostels to ensure that financial disadvantage does not restrict entry to supported accommodation.

### Assistance for home-based nursing care

While the residential care program focuses mainly on long-stay residential care, there are provisions through the program for assistance to those aged and disabled persons who wish to stay in the community. Short-term or respite care is available for these persons who are living in the community. It allows carers of such persons a break from their care responsibilities and provides support for frail aged people caring for themselves.

In addition, the Domiciliary Nursing Care Benefit is available to assist people who choose to care, in their own homes, for chronically ill or infirm relatives. Typically, these people are incapable of caring for themselves or being left unsupervised for any significant period, and would require admission to a nursing home if the home-care were not available. The basic criteria for the payment of the benefit are that the person must be aged 16 or over and be in receipt of continuing nursing care under the supervision of a registered nurse. The benefit is payable at the rate of \$42 a fortnight. The amounts of the subsidies paid for Domiciliary Nursing Care Benefits over the past three financial years are tabled below, together with details on the *Assessment Service Program*.

#### RECURRENT FUNDING OF DOMICILIARY NURSING CARE BENEFITS AND ASSESSMENT PROGRAM

		1984-85	1985-86	1986-87
Domiciliary nursing care benefit—				
Beneficiaries . . . . .	No.	19,133	20,700	27,209
Expenditure . . . . .	\$'000	26,438	25,395	27,333
Assessment services—				
Projects . . . . .	No.	31	35	65
Expenditure . . . . .	\$'000	3,000	3,987	6,249

#### RECURRENT FUNDING OF DOMICILIARY NURSING CARE BENEFITS AND ASSESSMENT PROGRAM, BY STATE, 1986-87

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Total
Domiciliary nursing care benefit—									
Beneficiaries (No.)	10,490	6,221	4,663	1,608	2,938	974	45	270	27,209
Expenditure (\$'000)	10,220	6,536	4,493	1,653	3,009	1,072	50	300	27,333
Assessment services—									
Projects (No.)	23	19	4	7	7	3	2	0	65
Expenditure (\$'000)	2,065	2,458	207	746	362	273	139	0	6,249

### Aboriginals

A referendum in May 1967 led to the repeal of section 127 of the Constitution which provided that, in reckoning the numbers for census purposes, Aboriginals should not be counted, and to the deletion of the words 'other than the Aboriginal race in any State' from section 51 (xxvi) which relates to the power of the Commonwealth Parliament to make laws with respect to people of any race. The Constitutional amendment, in effect, gave the Commonwealth Government shared power with the State governments in relation to Aboriginals. The Commonwealth Government's aim is to help Aboriginals become self-managing and self-sufficient while, at the same time, preserving and developing their own distinctive culture. The Commonwealth Department of Aboriginal Affairs, which is responsible for policy, planning and co-ordination in respect of Aboriginal affairs at the national level, has regional offices in all States and the Northern Territory.

Aboriginal views on the long term goals and objectives which the government should pursue, the programs it should adopt, and on the need for new programs in Aboriginal affairs

have in recent years been sought through various Aboriginal advisory organisations such as the National Aboriginal Consultative Council (NACC), (1973-1977), and the National Aboriginal Conference (NAC), (1977-1985). Since membership of the NAC was terminated from 30 June 1985, consultations with Aboriginals have been continuing on the establishment of a new national Aboriginal consultative organisation to replace the NAC.

The Aboriginal Development Commission (ADC), an all-Aboriginal commission, was established in 1980 by the Commonwealth Government as an independent body. The ADC assists Aboriginal and Torres Strait Islander groups, communities and individuals to acquire land for a variety of purposes, engage in business enterprises, obtain finance for housing and other personal needs, and receive training where necessary.

## **Migrants**

### **Intake**

The number of migrants who have come to Australia since the end of World War II has passed the 4 million mark. These migrants have contributed significantly to Australia's population which has more than doubled, from 7.4 million at the end of 1945 to over 15.5 million at the end of 1985. At this time about 21 per cent of Australia's population was overseas born. Post-war immigration peaked in 1970 with 185,300 settler arrivals, declined thereafter to a low of 54,100 in 1975, increased again to 118,700 in 1981 and decreased to 73,100 in 1984. In 1986, settler arrivals increased again, to 103,300.

### **Accommodation of migrants**

Migrant centres and flats provide a residential base for the provision of programs and services for newly arrived refugees and some other migrants.

There are currently five migrant centres, located in all mainland State capital cities with a capacity to accommodate up to 2,750 migrants and refugees. Additionally, 224 migrant transitory flats can accommodate up to 800 persons at any time.

Due to a downturn in demand for migrant centre accommodation and high operating costs of existing centres, the Department of Immigration, Local Government and Ethnic Affairs (DILGEA) is further reviewing the need for accommodation capacity. New self-contained, self-catering units were opened at Pennington in Adelaide in October 1986, and remaining stocks of flats are being modernised to provide decentralised on-arrival accommodation.

### **Ethnic affairs—services for migrants and refugees**

The Department of Immigration, Local Government and Ethnic Affairs provides services to facilitate the successful settlement and welfare of migrants and refugees and their integration into Australian society. Its responsibilities therefore interface with the broader responsibilities of the Advisory Council on Multicultural Affairs and with the Office of Multicultural Affairs (OMA) located within the Department of Prime Minister and Cabinet.

Settlement Services Units operate in all States and Territories to provide support and counselling to individuals and groups of migrants as they settle into the community. These Units consist of a team of social workers supported by welfare officers, many of whom are bilingual, and they offer services from a range of locations such as migrant centres, DILGEA offices and in communities where recently-arrived migrants are settling. Where practicable, migrants are referred to the local community services most suitable to their needs. DILGEA staff are working to assist mainstream agencies in making their services more accessible to migrants.

Departmental activities are complemented by those of social workers and welfare officers employed by voluntary agencies funded by Commonwealth grants. In many respects these voluntary agencies are best placed to assist migrants. The number of Grants-in-Aid for the employment of welfare workers by voluntary agencies as at 30 June 1987 was 201. The Settlement Services Branch also administers the Migrant Project Subsidy Scheme (MPSS) which provides grants of up to \$10,000 for a wide range of welfare related projects. In 1986-87, 48 grants worth a total of \$200,000 were approved.

As part of its settlement services, DILGEA provides a free interpreting and translation service to non-English-speaking migrants and refugees, and to members of the host community

having dealings with them. The Department also offers the translation service to Commonwealth departments and other bodies for a fee. At the present time, translation units are operating in Canberra, Melbourne and Sydney and a translation service is offered by Telephone Interpreter Service (TIS) centres in other capitals.

In 1973, TIS was established to help overcome language related communication problems by providing, via the telephone, a 24 hour interpreting, information and referral service. TIS interpreters, together with community contract interpreters, cover over 75 languages. Where necessary, and especially in emergency situations, arrangements may be made for the personal attendance of an interpreter. TIS currently operates in Canberra, all State capitals, Darwin and in a number of major provincial centres of migrant population. During the year ended 30 June 1986, a total of 357,178 calls was received by TIS.

Cost-sharing agreements to encourage the establishment or extension of State interpreting and translation services in areas of prime State responsibility have been concluded with New South Wales, Victoria, Queensland, South Australia and the Northern Territory. The Commonwealth had contributed \$4.39 million under the cost-sharing program since its inception in 1979 to 30 June 1987. The program is currently being reviewed, in consultation with the States and the Northern Territory, with a view to its continuing expansion and development along the lines of the Commonwealth Government's access and equity program.

A National Accreditation Authority for Translators and Interpreters (NAATI) was established in 1977 to develop standards of competence for those professions in Australia and to test and accredit interpreting-translating practitioners and courses. In October 1984, NAATI became an independent incorporated body. Currently, NAATI is in the second year of a five year program of accelerated expansion and development. NAATI is strongly supported and funded jointly by the Commonwealth, State and Territory Governments.

Twenty-three migrant resource centres and seven sub-centres and one pilot project have been established in areas of high migrant density. These resource centres provide support for all agencies (both government and voluntary) which assist migrants, and also provide a focus for community participation and development of local resources to meet migrant needs.

The settlement of refugees is an important element in the Commonwealth Government's overall migrant settlement program. In addition to offering refugees accommodation and settlement services at migrant centres, the Commonwealth Government also moves numbers of refugees directly from refugee camps overseas into the Australian community where they are in the care of families, groups and organisations which have undertaken to provide a range of support and assistance.

The *Adult Migrant Education Program* (AMEP) provides a wide range of language learning opportunities, and offers information about Australia. DILGEA is responsible for the funding and co-ordination of the program at the national level, while service delivery is provided in the main by Adult Migrant Education Services in each State and Territory. In 1986-87, expenditure on the *Adult Migrant Education Program* was \$50 million. Provisional data show that new enrolments in the program nationally totalled about 126,000 persons, including 12,000 in courses for new arrivals.

The status of 'Australian citizen' was created under the *Nationality and Citizenship Act 1948* which came into force on 26 January 1949. The relevant Act is now the *Australian Citizenship Act 1948* and under its provisions all new settlers, regardless of origin, are required to satisfy uniform requirements for the grant of citizenship. In the financial year 1986-87, 69,624 applications for Australian citizenship were received compared with 107,744 in 1984-85 and 99,153 in the 1985-86 financial year. Over 1.7 million new settlers have been granted Australian citizenship since 1949.

## Veterans' Affairs

The Repatriation Commission was established under the *Repatriation Act 1920*. With the repeal of that Act on 22 May 1986, the Commission has continued in existence under the *Veterans' Entitlements Act 1986*. At present, the Commission consists of three full-time members. The functions of the Commission are set out in section 180 of the *Veterans' Entitlements Act* and include:

- granting pensions, allowances and other benefits in accordance with the provisions of the Act;
- establishing, operating and maintaining hospitals and other institutions for the treatment of eligible persons;

- arranging the provision of treatment and other services for eligible persons;
- advising the Minister and providing him with information on matters relating to the Act;
- performing other functions conferred on the Commission by the Act or other Acts;
- administering the Act subject to the control of the Minister.

The Department of Veterans' Affairs provides the administrative machinery through which the Commission operates. The central office of the Department is in Canberra. There is a branch office in the capital city of each State which is under the control of the Deputy Commissioner. Regional offices are located in Newcastle, Wollongong, Canberra, Ballarat, Townsville and Darwin.

The principal functions of the Department cover:

- payment of disability and dependants' pensions, service pensions and allowances to eligible veterans and their dependants;
- provision of medical treatment for veterans for injuries and illnesses accepted as service-related;
- provision of medical treatment in certain circumstances for veterans who are suffering from injuries and illnesses whether service-related or not;
- provision of medical treatment for war/defence widows and certain dependants of deceased veterans;
- provision of a wide range of other benefits for eligible persons.

Since 5 October 1976, the *Defence Service Homes Act 1918* has been administered by the Defence Service Homes Corporation (DSHC) within the Departmental framework. The Department also has responsibility for the Office of Australian War Graves and the Australian War Memorial.

Repatriation benefits are provided under the Veterans' Entitlements Act in respect of service with the Australian Defence Forces in World War I, World War II, Korea and Malayan operations, Australian contingent of the British Commonwealth Far East Strategic Reserve, Vietnam and South East Asia conflict and for service in the Regular Defence Forces on or after 7 December 1972. Certain civilians may also be eligible for benefits, as are Australian members of certain designated peacekeeping, observing and monitoring forces who had peacekeeping service overseas. Under the *Papua New Guinea (Members of the Forces Benefits) Act 1957*, indigenous inhabitants of Papua New Guinea who served in the Australian Forces in World War II and members of the Royal Papuan Constabulary and New Guinea Police Force who served in that conflict are eligible for compensatory type benefits. Australian mariners of World War II are eligible for compensation benefits under the *Seamen's War Pensions and Allowances Act 1940* and for income support benefits (service pension) subject to the conditions laid down in the Veterans' Entitlements Act. Members of other Commonwealth countries' forces and other allied veterans are not eligible for compensatory-type benefits in respect of their service, unless they were domiciled in Australia immediately before their enlistment. They may, however, qualify for income support payments such as the service pension.

The Annual Report of the Repatriation Commission provides more detailed information on Repatriation allowances, benefits and services.

**VETERANS' AFFAIRS (excl. DSHC): TOTAL EXPENDITURE(a)**  
(**\$'000**)

Class	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Pensions, allowances and other benefits	1,329,871	1,719,058	2,035,026	2,334,799	2,587,404	2,766,858
Medical treatment	426,360	499,005	561,035	612,238	681,172	778,111
Administration	63,996	69,556	84,848	116,934	111,805	107,330
Works, rent and maintenance	22,136	26,968	43,021	46,687	(b)49,728	(b)66,425
<b>Total expenditure</b>	<b>1,842,363</b>	<b>2,314,587</b>	<b>2,723,930</b>	<b>3,110,658</b>	<b>3,430,109</b>	<b>3,718,724</b>

(a) Includes expenditure by Departments other than Veterans' Affairs as follows: 1981-82, \$18,260,360; 1982-83, \$22,738,924; 1983-84, \$27,541,925; 1984-85, \$38,329,971; 1985-86, \$38,545,000; 1986-87, \$49,749,000. (b) Excludes rent paid on the Department's behalf by DOLGAS.

## Benefits Program

The objective of the Benefits Program is to compensate veterans and dependants for the effects of war or defence service. Benefits such as pensions and allowances are administered under two sub-programs, the Compensation Sub-program and the Income Support Sub-program.

**Compensation Sub-program**

The main benefits provided under this sub-program are the disability pension and the war/defence widow's pension.

The disability pension is a compensatory payment for incapacity due to eligible war, defence or peacekeeping service. It is paid at a general rate between 10 per cent and 100 per cent, depending on the degree of war- or defence-caused incapacity. Higher rates are payable for those incapacitated to the 100 per cent general rate level where the war- or defence-caused incapacity alone affects their capacity for work. The intermediate rate is payable where the person is unable to work more than 20 hours a week and the special rate is payable where the person is unable to work more than eight hours a week.

The war/defence widow's pension is payable to the widow of a veteran:

- whose death has been accepted as war- or defence-caused;
- who was receiving or entitled to receive a special rate disability pension at the time of his death.

Orphan's pension is payable to the children of these veterans.

The following tables provide an analysis of the number of pensions in force, veteran's class of pension, new claims and deaths in 1986-87.

**DISABILITY PENSIONS FOR INCAPACITATED VETERANS:  
NUMBER IN FORCE, BY CLASS OF PENSION: 30 JUNE 1987**

<i>Class</i>	<i>1914-18 War</i>	<i>1939-45 War(a)</i>	<i>Korea, Malaya and F.E.S.R.</i>	<i>Special Overseas Service</i>	<i>Peace time forces</i>	<i>Miscel- laneous</i>	<i>Total</i>
Special Rate (T & PI or equivalent) . . . . .	388	21,380	523	516	199	4	23,010
Intermediate Rate . . . . .	6	840	21	29	20	—	916
General Rate—from 10 per cent to 100 per cent assessed disability—	1,316	123,211	3,775	8,433	8,567	29	145,331
<b>Total</b> . . . . .	<b>1,710</b>	<b>145,431</b>	<b>4,319</b>	<b>8,978</b>	<b>8,786</b>	<b>33</b>	<b>169,257</b>

(a) Includes Interim Forces.

**DISABILITY PENSIONS: NUMBER IN FORCE: 30 JUNE 1987**

<i>Class</i>	<i>1914-18 War</i>	<i>1939-45 War</i>	<i>Korea, Malaya and F.E.S.R.</i>	<i>Special Overseas Service</i>	<i>Peace time forces</i>	<i>Miscel- laneous</i>	<i>Total</i>
Veterans . . . . .	1,710	145,431	4,319	8,978	8,786	33	169,257
Wives and wife widows . . . . .	4,547	102,228	2,543	5,019	3,609	34	117,980
Children . . . . .	1	2,445	597	7,416	4,139	—	14,598
War widows . . . . .	9,517	60,024	674	331	273	51	70,870
Children of deceased veterans . . . . .	1	419	77	207	150	—	854
Orphans . . . . .	—	29	3	2	2	—	36
Other dependants . . . . .	180	1,228	44	45	18	2	1,517
<b>Total</b> . . . . .	<b>15,956</b>	<b>311,804</b>	<b>8,257</b>	<b>21,998</b>	<b>16,977</b>	<b>120</b>	<b>375,112</b>

**DISABILITY AND DEPENDANTS PENSIONS: 1986-87**

	<i>1914-18 War</i>	<i>1939-45 War(a)</i>	<i>Korea, Malaya and F.E.S.R.</i>	<i>Special Overseas Service</i>	<i>Peace time forces</i>	<i>Miscel- laneous</i>	<i>Total</i>
New claims granted . . . . .	175	9,531	311	610	1,585	6	12,218
Restorations . . . . .	9	320	17	158	109	—	612
Pensions cancelled (gross) . . . . .	218	4,410	328	1,155	751	8	6,870
Deaths of pensioners . . . . .	2,204	9,934	180	66	53	5	12,442
Pensions in force at 30 June 1987	15,956	311,804	8,257	21,998	16,977	120	375,112
Amount paid in pensions in 1986-87 (\$) . . . . .	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	991,744

(a) Includes Interim Forces.

(b) Includes associated allowances.

The following table shows the number of pensions granted, pensions in force and the expenditure for disability pensions in each of the years ended 30 June 1982 to 1987.

### DISABILITY PENSIONS

Year	Pensions granted	Deaths	Number of disability pensions in force at 30 June			Total	Annual expenditure(a) (\$'000)
			Incapacitated veterans	Dependants of incapacitated veterans	Dependants of deceased veterans		
1981-82 . . . . .	7,325	11,648	170,546	190,970	51,614	413,130	510,675
1982-83 . . . . .	13,420	11,815	168,355	186,859	55,259	410,473	646,470
1983-84 . . . . .	13,119	11,842	166,062	183,105	58,110	407,277	722,660
1984-85 . . . . .	17,038	11,602	165,377	179,420	63,524	408,321	837,230
1985-86 . . . . .	19,256	12,666	169,109	170,589	70,044	409,742	549,125
1986-87 . . . . .	12,218	12,442	169,257	132,971	72,884	375,112	548,901

(a) Includes associated allowances.

A number of specific need allowances are available to veterans for their war or defence-caused incapacity. They include attendant allowance, specific disability (section 27) allowance, clothing allowance, recreation transport allowance, vehicle assistance scheme benefits, temporary incapacity allowance and loss of earnings allowance. Decoration allowance is also available.

### SPECIFIC NEED ALLOWANCES

Benefit	No. of recipients	
	at 30 June 1986	at 30 June 1987
Attendant allowance . . . . .	972	1,014
Section 27 (Items 1-6) . . . . .	61	62
Section 27 (Items 7-15) . . . . .	1,221	1,239
Clothing allowance . . . . .	2,609	2,365
Recreation transport allowance . . . . .	3,213	3,332
Recreation allowance . . . . .	1,297	1,311
Vehicle assistance scheme . . . . .	91	82

The *Veterans' Children Education Scheme* provides assistance with education and training for the children of special rate disability pensioners and certain other incapacitated veterans and deceased veterans whose death has been accepted as war- or defence-caused or who were receiving special rate disability pension or a section 27 allowance (items 1-6) at the time of death.

### VETERANS' CHILDREN EDUCATION SCHEME, EXPENDITURE (\$'000)

Cost of education of beneficiaries	N.S.W.(a)	Vic.	Qld	S.A.(b)	W.A.	Tas.	Aust.
1985-86 . . . . .	1,344.8	929.5	731.1	303.1	270.4	162.7	3,741.6
1986-87 . . . . .	1,674.0	1,093.0	951.4	324.1	367.0	221.3	4,630.8

(a) Includes A.C.T. (b) Includes N.T.

### VETERANS' CHILDREN EDUCATION SCHEME: NUMBER RECEIVING BENEFITS AT 30 JUNE 1987

Type of training	N.S.W.(a)	Vic.	Qld	S.A.(b)	W.A.	Tas.	Overseas	Total
At school								
Primary(c) . . . . .	137	95	114	49	58	32	—	485
Secondary . . . . .	434	202	385	111	110	96	2	1,340
Total at school . . . . .	571	297	499	160	168	128	2	1,825
Tertiary professional . . . . .	200	154	99	54	54	21	—	582
Technical . . . . .	23	65	20	—	—	4	—	112
Industrial . . . . .	—	—	11	—	—	6	—	17
Total . . . . .	794	516	629	214	222	159	2	2,536

(a) Includes A.C.T. (b) Includes N.T. (c) Not in receipt of an education allowance.



**Income-Support Sub-program**

The main benefit paid under this sub-program is the service pension. This is an income and asset tested pension similar to the age and invalid pensions payable by the Department of Social Security. The pension is payable on the ground of age to veterans with qualifying service at age 60 (males) or 55 (females). Veterans with qualifying service may be paid the pension at any age if they are permanently incapacitated for work. Qualifying service generally means service in an area and at a time when danger from hostile enemy forces was incurred by the veteran.

Veterans of other Commonwealth and allied countries may also qualify for the Service Pension for service in wars or war-like conflicts in which Australia has engaged. Veterans of Commonwealth forces must have served outside the country of enlistment or be entitled to the award of a campaign medal for service within that country. Allied veterans must have served in formally raised forces. The veteran must be an Australian resident with at least ten years residency. Service pension is also available to Australians, other Commonwealth and Allied Mariners of World War II.

Service pensioners who satisfy a separate income/asset test may be eligible for 'fringe benefits', provided by the Commonwealth Government which include medical and hospital treatment, pharmaceutical benefits and telephone rental concessions.

A funeral benefit is available to assist in defraying the cost of the funeral of a service pensioner eligible for fringe benefits. The benefit is also available in respect of the funeral for a veteran who died in needy circumstances or who was receiving a special rate disability pension at the time of his death. It is also payable in respect of the funeral of a veteran whose death has been accepted as war- or defence-caused and, finally, for certain dependants of veterans.

The following tables give an analysis of the total number of pensions in force, new claims granted and deaths in 1985-86 and 1986-87.

**SERVICE PENSIONS(a), 1986-87**

		1914-18 War	1939-45 War	Korea, Malaya and FESR(b)	Special Overseas Service	British Common- wealth	Allied Forces	Miscel- laneous	Total
New claims granted	No.	68	15,925	916	579	4,155	753	322	22,718
Restorations	"	4	259	7	10	56	69	1	406
Cancellations (gross)	"	183	7,936	140	88	1,131	137	52	9,667
Deaths	"	747	9,782	121	32	839	78	64	11,663
Pensions in force at 30 June 1987	"	3,601	336,952	4,399	2,065	48,294	7,061	2,422	404,794
—\$'000—									
Amount paid in pen- sions in 1986-87(c)	"	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,745,888

(a) Includes wives and widows. (b) Far East Strategic Reserve. (c) Includes associated allowances.

**SERVICE PENSIONS: NUMBER IN FORCE, 30 JUNE 1987**

Class	1914-18 War	1939-45 War	Korea, Malaya and FESR	Special Overseas Service	British Common- wealth	Allied Forces	Miscel- laneous	Total
Veterans—								
Old age	2,395	179,688	1,154	192	25,347	3,702	1,209	213,687
Permanently incapa- citated	2	14,942	1,500	1,022	1,927	255	190	19,838
Tuberculosis(a)	5	659	12	1	7	—	—	684
<b>Total</b>	<b>2,402</b>	<b>195,289</b>	<b>2,666</b>	<b>1,215</b>	<b>27,281</b>	<b>3,957</b>	<b>1,399</b>	<b>234,209</b>
Wives and widows	1,199	141,663	1,733	850	21,013	3,104	1,023	170,585
<b>Total</b>	<b>3,601</b>	<b>336,952</b>	<b>4,399</b>	<b>2,065</b>	<b>48,294</b>	<b>7,061</b>	<b>2,422</b>	<b>404,794</b>

(a) Eligibility on these grounds ceased on 2 November 1978.

The following table provides a summary of Service Pensions.

### SERVICE PENSIONS

	<i>Pensions granted</i>	<i>Deaths</i>	<i>Pensions in force</i>			<i>Annual expenditure(a) (\$'000)</i>
			<i>Veterans</i>	<i>Wives and widows</i>	<i>Total</i>	
1981-82 . . . . .	42,766	8,894	178,064	121,838	299,902	807,537
1982-83 . . . . .	57,012	9,604	200,492	140,656	341,148	1,057,950
1983-84 . . . . .	51,830	9,866	218,660	156,845	375,505	1,294,279
1984-85 . . . . .	40,885	10,258	227,705	164,794	392,499	1,477,874
1985-86 . . . . .	30,330	10,977	233,751	169,801	403,552	1,616,987
1986-87 . . . . .	22,718	11,663	234,209	170,585	404,794	1,745,888

(a) Includes associated allowances.

### Treatment for veterans and dependants of veterans

Treatment is provided for all disabilities which have been accepted as service-related, and for pulmonary tuberculosis and cancer not related to service. In addition, and subject to certain conditions, treatment in Australia is provided for most non-service-related disabilities for: incapacitated veterans receiving disability pensions at or above the maximum (100 per cent) general rate; World War II veterans receiving both service pension at any rate and disability pension at the 50 per cent rate or higher; veterans or nurses who served in World War I; veterans of the Boer War; veterans who were detained by the enemy; war widows and certain other dependants of deceased male veterans whose deaths have been accepted as service-related, and of deceased Special Rate pensioners; and certain service pensioners.

Special emphasis is given to caring for the aged, aimed at limiting the dependence of veterans and war widows on nursing home care and encouraging the alternative of home care.

Treatment is provided at six repatriation general hospitals (one in each State), three auxiliary hospitals and Anzac Hostel in Victoria. The total number of available beds for patients in wards or parts of wards open for use in all these institutions at 30 June 1987 was 2,301.

Expenditure totalled \$253.0 million in 1985-86 and \$288.4 million in 1986-87. In addition, expenditure of \$428.1 million in 1985-86 and \$489.7 million in 1986-87 was incurred on medical services outside these institutions.

### Repatriation hospitals and institutions

The figures below represent an Average Staffing Level for the year ending 30 June 1987.

#### FULL-TIME EQUIVALENT OPERATIVE STAFF EMPLOYED UNDER THE PUBLIC SERVICE ACT AT 30 JUNE 1987

<i>1986-87 Average Staffing Level</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>A.C.T.</i>	<i>Aust.</i>
Direct non-institutional care (a) . . . . .	88.02	75.82	29.49	22.83	16.07	17.59	39.12	288.94
Short-term institutional care (b) . . . . .	2,634.03	1,763.46	1,267.13	885.42	995.23	267.63	—	7,812.90
Long-term institutional care (c) . . . . .	301.57	183.62	93.35	—	—	—	—	578.54
<b>Total . . . . .</b>	<b>3,023.62</b>	<b>2,022.90</b>	<b>1,389.97</b>	<b>908.25</b>	<b>1,011.30</b>	<b>285.22</b>	<b>39.12</b>	<b>8,680.38</b>

(a) Includes VVCS limb and appliance centres and the Hobart Pathology Laboratory. (b) Includes Repatriation General Hospitals. (c) Includes Auxiliary Hospitals and Anzac Hostel.

The following table gives details of in-patients treated at repatriation general hospitals and other repatriation institutions in each State (including community patients). The figures shown refer to treatment episodes, e.g. a person who is admitted to hospital twice during a year is counted twice.

In addition to the repatriation institutions, entitled persons are treated in other country and metropolitan hospitals and nursing homes at departmental expense. During 1985-86 and 1986-87, 54,868 and 64,810 entitled persons were accommodated and treated in non-departmental hospitals and 2,473 and 5,568 respectively in nursing homes.

Repatriation psychiatric patients requiring custodial care for a service-related disability are, by agreement with the State governments, accommodated at the expense of the Department of Veterans' Affairs in separate wings of psychiatric hospitals administered by the State authorities. Excluding 11 on trial leave, there were 341 repatriation patients in these hospitals at 30 June 1987.

Out-patient treatment is provided throughout Australia at repatriation hospitals and clinics and through the Repatriation Local Medical Officer Scheme. During 1986-87, 893,384 out-patients were treated at repatriation institutions, and local medical officers consultations totalled 3,109,704. The number of repatriation local medical officers in Australia at 30 June 1987 was 12,900.

#### REPATRIATION GENERAL HOSPITALS AND INSTITUTIONS: IN-PATIENTS TREATED 1986-87

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Aust.</i>
<b>REPATRIATION GENERAL HOSPITALS</b>							
In-patients at beginning of year . . . . .	559	294	374	232	263	73	1,795
Admissions and re-admissions during year . . . . .	15,177	14,819	10,487	7,383	8,987	2,486	59,339
<i>Total in-patients treated . . . . .</i>	<i>15,736</i>	<i>15,113</i>	<i>10,861</i>	<i>7,615</i>	<i>9,250</i>	<i>2,559</i>	<i>61,134</i>
Discharges (including deaths) . . . . .	15,303	14,792	10,578	7,453	8,957	2,495	59,578
In-patients at end of year . . . . .	433	321	283	162	293	64	1,556
<b>REPATRIATION AUXILIARY HOSPITALS</b>							
In-patients at beginning of year . . . . .	145	72	55	—	—	—	272
Admissions and re-admissions during year . . . . .	1,617	500	369	—	—	—	2,486
<i>Total in-patients treated . . . . .</i>	<i>1,762</i>	<i>572</i>	<i>424</i>	—	—	—	<i>2,758</i>
Discharges (including deaths) . . . . .	1,605	494	366	—	—	—	2,465
In-patients at end of year . . . . .	157	78	58	—	—	—	293

#### Other medical services

Entitled persons may also be provided with: medicines, drugs and dressings through the Repatriation Pharmaceutical Benefits Scheme; services of allied health professionals including physiotherapy and podiatry; optometrical services including spectacles; dental treatment through the Local Dental Officer Scheme; rehabilitation and social work services; counselling through the Vietnam Veterans Counselling Service; and surgical aids and aids-to-daily living.

#### Artificial limb and appliance services

The following table gives details of production by all centres and commercial firms as a result of orders placed by the Department.

#### REPATRIATION ARTIFICIAL LIMB AND APPLIANCE CENTRES AND COMMERCIAL FIRMS: PRODUCTION 1986-87 (number)

CENTRES	
Legs . . . . .	2,410
Arms . . . . .	161
Surgical and adapted footwear . . . . .	6,478
Other surgical appliances . . . . .	1,506
Repairs . . . . .	21,171
COMMERCIAL FIRMS	
Legs . . . . .	2,480
Arms . . . . .	162
Limb repairs . . . . .	6,741

A wide range of artificial limbs and other surgical aids is supplied by the Repatriation Artificial Limb and Appliance Centre in each State capital and by sub-centres in Darwin, Townsville, Canberra, Newcastle and Albury. A mobile workshop operates in Victoria to provide services to remote locations. In addition, the Central Development Unit is located in

provide services to remote locations. In addition, the Central Development Unit is located in Melbourne, and engages in research and development in the prosthetic and orthotic field.

Since 1973, artificial limbs have been provided free of charge to all members of the community who need them (except where patients are eligible for compensation), either through the Department's Repatriation Artificial Limb and Appliance Centres or on order through commercial limb-makers. The number of limbs supplied through the Department has increased significantly as the community has taken advantage of the Free-Limbs Scheme.

The cost of the Free Limb Scheme for 1986-87 was \$7.1 million.

## Household expenditure

Official Australian involvement in Household Expenditure Surveys can be traced back to the beginning of this century. In 1910-11, a survey, entitled *Inquiry into the Cost of Living in Australia*, was undertaken by the then Commonwealth Bureau of Census and Statistics (now the Australian Bureau of Statistics). During this survey, diaries were distributed to some 1,500 volunteers who were asked to keep records of all expenditures over the twelve months period from July 1910 to June 1911. Only 222 diaries were returned, which severely impaired the reliability of the results.

Because of the poor response to the 1910-11 inquiry, the Bureau conducted a further expenditure inquiry in 1913 which was intended to achieve a higher response rate by reducing the diary-keeping period to four weeks. However, the response was again small, with only six per cent of the 7,000 diaries returned.

The next major Household Expenditure Survey was not conducted until 1974. This Survey ran from July 1974 till June 1975. It was based on a sample of approximately 13,550 private dwellings selected from the six State capital cities and Canberra, from which about 9,100 fully responding households were obtained.

A second Expenditure Survey with respect to the year 1975-76 was commenced on 1 July 1975. The sample size was approximately 5,900 responding households. Geographical coverage was, however, extended beyond the six State capital cities and Canberra to include Darwin, other urban areas and the rural community.

The 1984 Household Expenditure Survey was the third major survey of its kind undertaken by the Australian Bureau of Statistics. It was conducted continuously over the twelve months January to December 1984. The Survey was designed to find out how the expenditure pattern of private households varies according to income level and other characteristics such as household size, composition, location and principal source of income. The 1984 Survey covered both rural and urban areas (except remote and sparsely settled areas) in all States and Territories, and was based on a sample of 9,571 responding households.

## Summary of findings from the 1984 Survey

In 1984, average weekly household expenditure on commodities and services in Australia was \$361.84. Household expenditure varied considerably across the States and Territories with the highest weekly expenditure being recorded in the two Territories at \$472.38 for households in the Australian Capital Territory and \$463.46 in the Northern Territory. Households in Tasmania had the lowest average weekly expenditure at \$311.90. These differences in household expenditure reflect to some extent the differences in average weekly household income across the States and Territories. Households in the Australian Capital Territory and the Northern Territory had the highest average weekly incomes at \$627.97 and \$583.96 respectively. Households in Tasmania had the lowest average weekly household income at \$392.47. These differences in household income are in turn related to such characteristics as the proportion of household income derived from earnings or government cash benefits, the average number of employed persons per household and the average age of the household head.

At the Australia level, average weekly household expenditure (*see figure below*) on *food and non-alcoholic beverages* (\$71.22 or 19.7% of total expenditure on commodities and services), on *transport* (\$59.00 or 16.3%) and on *current housing costs (for selected dwellings)* (\$46.46 or 12.8%) accounts for 48.8 per cent of total expenditure. Much less significant is the expenditure on *personal care* (\$6.60 or 1.8%) and on *tobacco* (\$5.73 or 1.6%).

**1984 HOUSEHOLD EXPENDITURE SURVEY: HOUSEHOLD EXPENDITURE BY  
HOUSEHOLD INCOME QUINTILE GROUP, AUSTRALIA (a)**

	Average Weekly Household Gross Income Distribution (\$)					All house- holds
	0- 171	172- 314	315- 472	473- 675	676 or more	
	Lowest 20%	Second quintile group	Third quintile group	Fourth quintile group	Highest 20%	

**AVERAGE WEEKLY HOUSEHOLD EXPENDITURE (\$) (b)**

Broad Expenditure Group						
<b>Commodity or service</b>						
Current housing costs (selected dwelling)	25.92	35.20	50.27	55.13	65.85	46.46
Fuel and power (c)	7.25	9.28	10.68	11.53	14.06	10.56
Food and non-alcoholic beverages	38.53	57.70	69.23	81.73	108.97	71.22
Alcoholic beverages	3.88	8.12	11.53	15.48	22.52	12.30
Tobacco	3.13	5.50	6.21	6.54	7.25	5.73
Clothing and footwear	8.82	15.43	19.90	25.64	47.56	23.46
Household furnishings and equipment	11.49	19.38	26.12	34.12	47.38	27.69
Household services and operation	9.55	13.10	14.85	17.15	23.85	15.70
Medical care and health expenses	6.14	10.42	14.42	16.58	22.82	14.07
Transport (d)	19.98	41.67	56.02	72.18	105.25	59.00
Recreation	16.75	27.24	39.80	51.56	80.38	43.13
Personal care	3.18	4.77	5.98	7.76	11.33	6.60
Miscellaneous commodities and services	9.73	14.42	22.88	32.86	49.81	25.93
<b>Total commodity or service expenditure</b>	<b>164.35</b>	<b>262.23</b>	<b>347.88</b>	<b>428.26</b>	<b>607.04</b>	<b>361.84</b>
<b>Selected other payments</b>						
Income tax	6.28	25.90	66.28	105.15	197.07	80.07
Mortgage payments—principal (selected dwelling)	1.76	3.32	6.73	8.80	11.83	6.49
Other capital housing costs (e)	7.25	7.64	16.66	21.39	37.16	18.01
Superannuation and life insurance	0.93	3.46	10.37	16.40	26.43	11.51
<b>HOUSEHOLD CHARACTERISTICS</b>						
Average weekly household income (\$) (f)	116.23	238.47	389.13	568.57	956.97	453.60
Average number of persons per household (number)	1.67	2.68	3.06	3.20	3.57	2.84
Average age of household head (years)	59.72	49.55	42.04	40.93	42.99	47.05
Number of households in sample	1,772	1,811	1,933	2,017	2,038	9,571
<i>Estimated total number in population:</i>						
Households ('000)	1,005.5	1,013.1	1,007.2	1,007.7	1,005.7	5,039.2
Persons ('000)	1,683.3	2,710.4	3,081.3	3,222.7	3,593.2	14,290.9

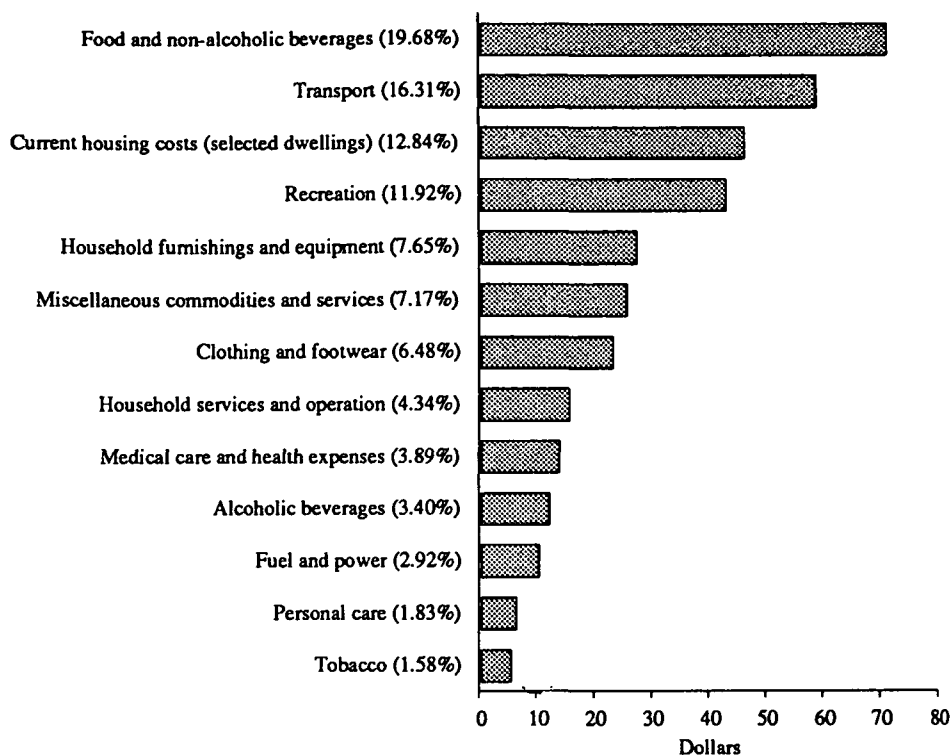
(a) The quintile groups in this table are 20% groupings of the estimated population when households are ranked in ascending order according to each household's total gross weekly income. (b) The average obtained when the total estimated expenditure for a particular broad expenditure group is divided by the estimated number of households within the scope of the survey in the relevant quintile group. (c) Excluded from this item are fuel and power for motor vehicles, which are included in *Transport*. (d) Includes fuel and power for motor vehicles. (e) Includes purchases of dwellings and other property; additions/extensions and renovations to dwellings; outside building and swimming pools; and payments to landscape contractors. (f) Household income is the sum of the gross weekly income of all household members.

**1984 HOUSEHOLD EXPENDITURE SURVEY: HOUSEHOLD EXPENDITURE  
BY STATES AND TERRITORIES**

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Australia</i>
<b>AVERAGE WEEKLY HOUSEHOLD EXPENDITURE (\$) (a)</b>									
<b>Broad Expenditure Group</b>									
<b>Commodity or service</b>									
Current housing costs (selected dwelling) . . . . .	52.05	45.70	43.17	36.63	41.50	39.04	67.42	60.78	46.46
Fuel and power (b) . . . . .	9.76	12.19	9.27	10.72	10.37	10.91	10.71	13.57	10.56
Food and non-alcoholic beverages . . . . .	73.14	73.18	69.32	62.79	69.18	62.80	88.24	86.06	71.22
Alcoholic beverages . . . . .	13.13	11.11	12.21	11.49	13.24	9.45	25.04	15.05	12.30
Tobacco . . . . .	5.65	6.41	4.63	5.50	6.27	5.56	9.60	4.42	5.73
Clothing and footwear . . . . .	26.26	24.21	18.80	20.66	20.72	23.18	17.85	29.54	23.46
Household furnishings and equipment . . . . .	28.85	27.67	23.04	29.84	28.54	23.93	37.26	35.62	27.69
Household services and operation . . . . .	16.20	15.86	14.92	14.30	15.74	13.16	22.89	20.07	15.70
Medical care and health expenses . . . . .	14.07	15.40	13.17	13.64	12.72	11.40	15.33	15.92	14.07
Transport (c) . . . . .	57.22	61.92	58.24	54.89	62.47	47.59	68.47	80.93	59.00
Recreation . . . . .	42.34	45.89	40.48	36.47	46.50	41.01	60.83	59.78	43.13
Personal care . . . . .	6.74	6.89	6.01	6.72	6.24	5.70	7.01	7.87	6.60
Miscellaneous commodities and services . . . . .	27.91	23.89	27.33	20.52	26.52	18.17	32.82	42.76	25.93
<b>Total commodities or service expenditure . . . . .</b>	<b>373.31</b>	<b>370.31</b>	<b>340.58</b>	<b>324.18</b>	<b>360.01</b>	<b>311.90</b>	<b>463.46</b>	<b>472.38</b>	<b>361.84</b>
<b>Selected other payments</b>									
Income tax . . . . .	82.35	85.35	69.32	67.63	81.82	66.06	106.55	131.49	80.07
Mortgage payments—principal (selected dwelling) . . . . .	6.81	6.43	6.43	5.26	7.09	4.82	5.06	7.95	6.49
Other capital housing costs (d) . . . . .	24.15	16.70	10.75	9.36	21.44	6.78	*25.82	*24.84	18.01
Superannuation and life insurance . . . . .	10.93	12.07	11.14	10.75	11.47	10.53	19.77	23.25	11.51
<b>HOUSEHOLD CHARACTERISTICS</b>									
Average weekly household income (\$) (e) . . . . .	458.43	472.22	424.07	417.13	452.87	392.47	583.96	627.97	453.60
Average number of persons per household (number) . . . . .	2.82	2.83	2.93	2.73	2.82	2.80	3.03	3.03	2.84
Average age of household head (years) . . . . .	47.34	47.64	46.95	47.52	45.33	46.79	37.44	41.83	47.05
Number of households in sample . . . . .	2,040	1,947	1,504	1,049	1,084	718	587	642	9,571
<i>Estimated total number in population:</i>									
Households . . . . . ('000)	1,766.9	1,320.6	794.5	461.6	450.9	144.5	26.0	74.3	5,039.2
Persons . . . . . ('000)	4,983.9	3,737.1	2,329.8	1,261.7	1,269.7	404.7	78.8	225.2	14,290.9

(a) The average obtained when the total estimated expenditure for a particular broad expenditure group is divided by the estimated number of households within the scope of the survey. (b) Excluded from this item are fuel and power for motor vehicles, which are included in *Transport*. (c) Includes fuel and power for motor vehicles. (d) Includes purchases of dwellings and other property; additions/extensions and renovations to dwellings; outside building and swimming pools; and payments to landscape contractors. (e) Household income is the sum of the gross weekly income of all household members. \* Subject to sampling variability too high for most practical purposes.

**AVERAGE WEEKLY HOUSEHOLD EXPENDITURE ON COMMODITIES AND SERVICES,  
AUSTRALIA, 1984**



### Distribution of income

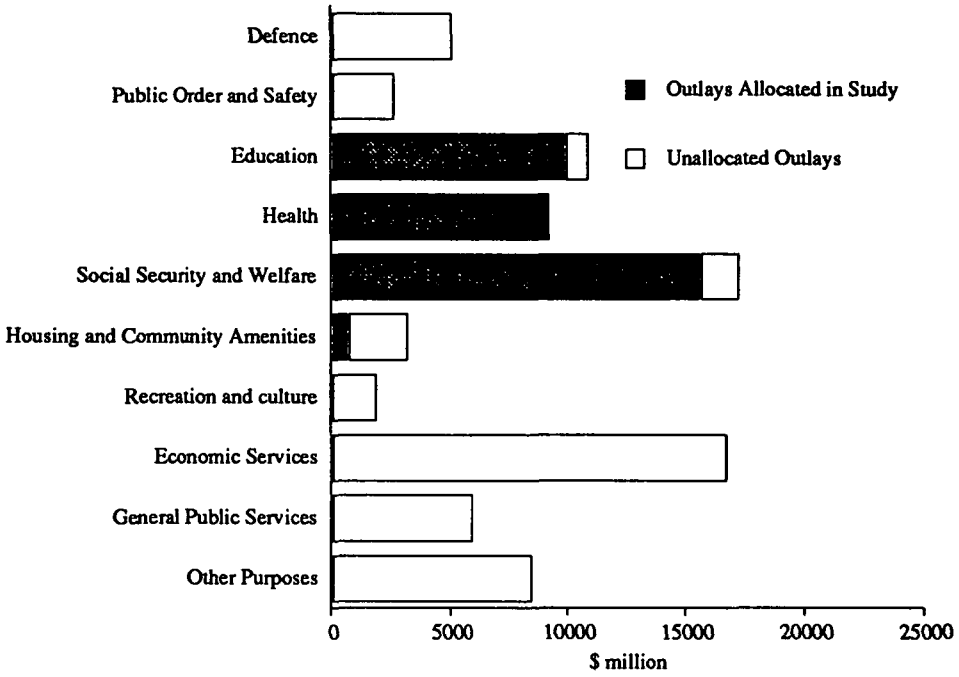
#### **The effects of government benefits and taxes on household income**

All households in Australia pay taxes to government, whether directly in the form of income tax and/or indirectly through taxes on goods and services purchased. Similarly, all households in Australia receive benefits from government, whether directly in the form of regular cash payments such as age pensions and/or indirectly in the form of a range of services which are provided to households either without charge or at less than their full cost to government. Using data from the 1984 Household Expenditure Survey, supplemented by data from other sources, the ABS undertook a study of the effects of government benefits and taxes on the distribution of income of households in 1984.

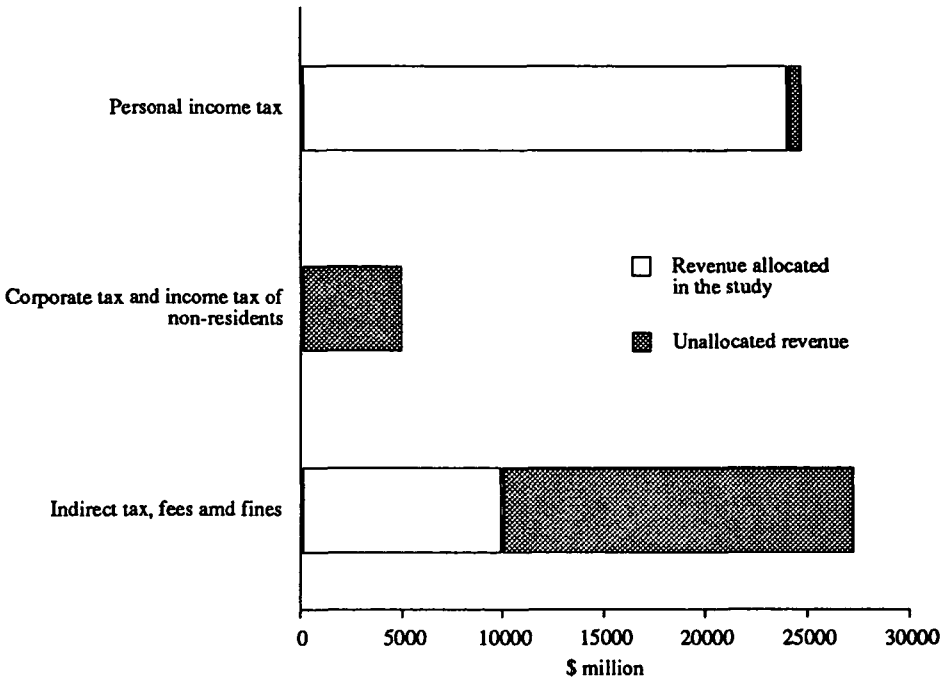
The methodological approach employed in this study is based on that used in similar studies conducted by the United Kingdom Central Statistical Office. The most that can be claimed for the approach is that it provides a useful framework within which a large body of information which is relevant to the assessment of the redistributive effects of transactions between households and governments can be drawn together. It is important to recognise that the estimates of the effects of government benefits and taxes on household income depend on the particular assumptions which have been made.

In the study, some major components of government outlays and revenues which affect households were allocated to the households which received the benefits or paid the taxes. The incidence of government benefits and taxes and their effects on average household income were then examined for various household groups.

**GOVERNMENT OUTLAYS ALLOCATED AND UNALLOCATED, 1983-84**  
(Commonwealth, State and Local Government)



**TAXATION REVENUE ALLOCATED AND UNALLOCATED, 1983-84**  
Commonwealth, State and Local Government





1984 HOUSEHOLD EXPENDITURE SURVEY AVERAGE INCOME, BENEFITS AND TAXES BY GROSS HOUSEHOLD INCOME DECILE

Income, benefits and taxes	Gross income decile									All household- holds		
	Lowest 10%	Second decile	Third decile	Fourth decile	Fifth decile	Sixth decile	Seventh decile	Eighth decile	Ninth decile		Highest 10%	
Private income	11.83	29.31	80.09	221.38	315.14	397.39	491.22	595.04	738.02	1,136.91	401.43	
Direct benefits:					— Average weekly value (\$) —							
Age pension	51.10	51.78	39.85	11.36	5.74	5.66	4.87	4.58	3.54	3.10	18.16	
Invalid pension	4.12	7.96	8.38	5.40	3.09	2.28	2.72	1.96	1.33	1.13	3.16	
Veterans' Affairs pension	3.83	17.68	22.64	10.45	5.46	3.63	3.25	2.91	1.12	1.02	7.21	
Unemployment benefit	5.48	11.92	22.33	13.51	7.49	5.67	3.49	3.87	2.95	3.25	8.01	
Sole parent benefit	1.06	19.78	11.04	4.55	2.19	2.48	1.35	1.59	*	1.25	4.65	
Family allowance	1.04	2.64	5.14	5.93	7.40	7.35	7.10	6.47	6.37	6.63	5.61	
Other direct benefits	6.69	5.96	9.33	5.58	3.22	3.54	3.71	2.60	2.70	3.51	4.69	
Total direct benefits	73.33	117.72	118.71	56.77	34.59	30.60	26.49	23.98	19.17	19.89	52.18	
Gross income	85.16	147.03	198.80	278.15	349.73	427.99	517.70	619.01	757.19	1,156.80	453.60	
Direct tax	0.30	2.43	7.53	32.20	52.53	75.99	104.63	134.01	175.99	331.06	91.60	
Disposable income	84.86	144.59	191.27	245.95	297.20	352.00	413.07	485.01	581.19	825.73	362.01	
Indirect benefits:												
School education	4.21	12.36	21.56	26.17	27.21	30.58	31.33	31.91	31.28	32.07	24.88	
Tertiary education	2.03	3.37	6.45	9.02	7.56	9.28	11.11	12.88	14.92	24.71	10.13	
Other education benefits	0.46	1.15	2.10	2.55	2.83	3.16	3.37	3.55	3.72	4.44	2.73	
Total education benefits	6.70	16.88	30.12	37.73	37.60	43.02	45.81	48.34	49.92	61.22	37.74	
Hospital care	18.49	24.46	25.42	21.83	22.28	22.42	22.58	22.74	24.05	26.47	23.08	
Medical clinics	4.79	7.16	8.24	8.27	8.27	8.17	8.25	8.22	8.56	9.47	7.88	
Pharmaceuticals	3.23	4.54	4.06	1.71	1.34	1.30	1.20	1.13	1.10	1.16	2.08	
Other health benefits	1.00	1.58	2.01	2.11	2.33	2.39	2.46	2.48	2.56	2.94	2.19	
Total health benefits	37.52	37.74	39.73	33.30	34.22	34.27	34.49	34.56	36.27	40.05	35.22	
Housing benefits	4.30	5.12	3.01	3.01	3.27	3.62	1.95	0.72	0.76	0.19	2.59	
Social security and welfare benefits	13.83	15.02	13.14	6.76	4.86	4.58	3.96	3.76	3.06	3.23	7.22	
Total indirect benefits	52.34	74.76	86.00	80.81	79.94	85.50	86.21	87.38	90.00	104.69	82.78	
Disposable income plus indirect benefits	137.21	219.36	277.28	326.76	377.15	437.50	499.28	572.39	671.19	930.42	444.79	
Indirect taxes by commodity group:												
Petrol and petroleum products	2.16	3.35	5.03	5.83	7.14	7.58	8.59	9.28	10.63	12.72	7.23	
Tobacco	1.52	2.16	2.95	3.54	3.42	3.91	3.88	3.84	4.20	4.35	3.38	
Alcohol	1.17	1.47	2.28	3.23	3.43	4.44	4.84	5.60	6.18	8.58	4.12	
Ownership of dwellings	1.80	2.01	2.16	3.10	3.61	4.03	4.30	4.39	4.89	5.69	3.60	
Other indirect taxes	5.43	8.14	11.44	14.04	16.40	19.78	22.80	24.59	30.60	40.97	19.41	
Total indirect taxes	12.07	17.14	23.86	29.73	34.00	39.74	44.40	47.70	56.48	72.31	37.74	
Final income	125.13	202.22	253.42	297.03	343.15	397.76	454.87	534.69	614.71	858.11	407.05	
Total benefits	125.67	192.48	204.72	137.58	114.53	116.11	112.69	111.36	109.17	124.58	134.96	
Total taxes	12.37	19.57	31.39	61.93	86.53	115.73	149.04	181.70	232.48	403.38	129.34	

To illustrate the effects of government benefits and taxes on household income, a series of income measures was calculated. The starting point of the analysis was *private income*: the total current weekly income of all members of the household before the deduction of taxes and excluding any government benefits. Private income includes income from employment, self-employment, investments and other non-government sources. Next, government direct benefits to persons, such as pensions and unemployment benefits, were added to private income to obtain *gross income*. Direct taxes were then deducted to obtain *disposable income*. Government indirect benefits for housing, education, health and social security and welfare were then added to give *disposable income plus indirect benefits*. Finally, indirect taxes paid were deducted to produce *final income*.

The following table shows the way in which the various income measures are related in the form of averages for all households and for two classes of households: those whose principal source of gross income was from private sources and those whose principal source of income was government pensions and benefits.

**AVERAGE WEEKLY INCOME OF HOUSEHOLDS FOR VARIOUS INCOME MEASURES BY PRINCIPAL SOURCE OF GROSS INCOME OF THE HOUSEHOLD**

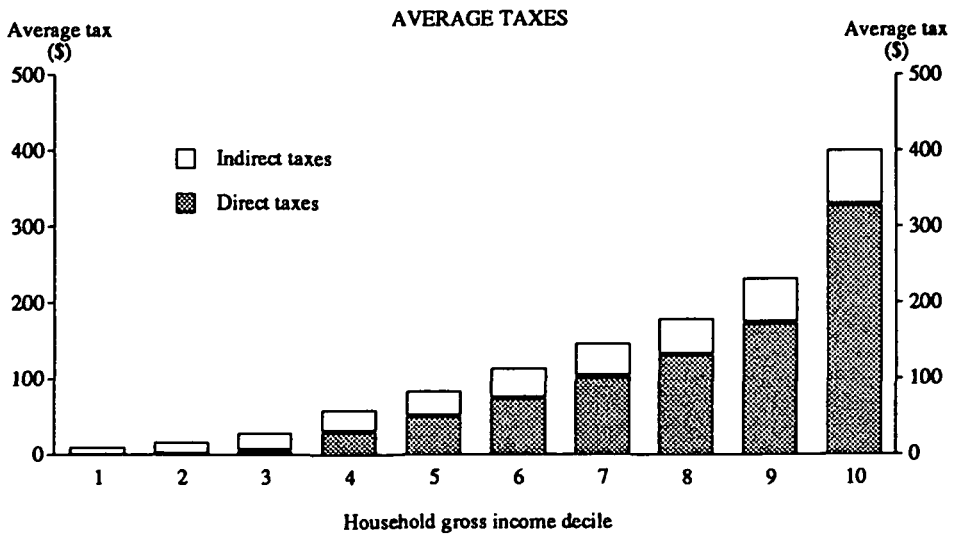
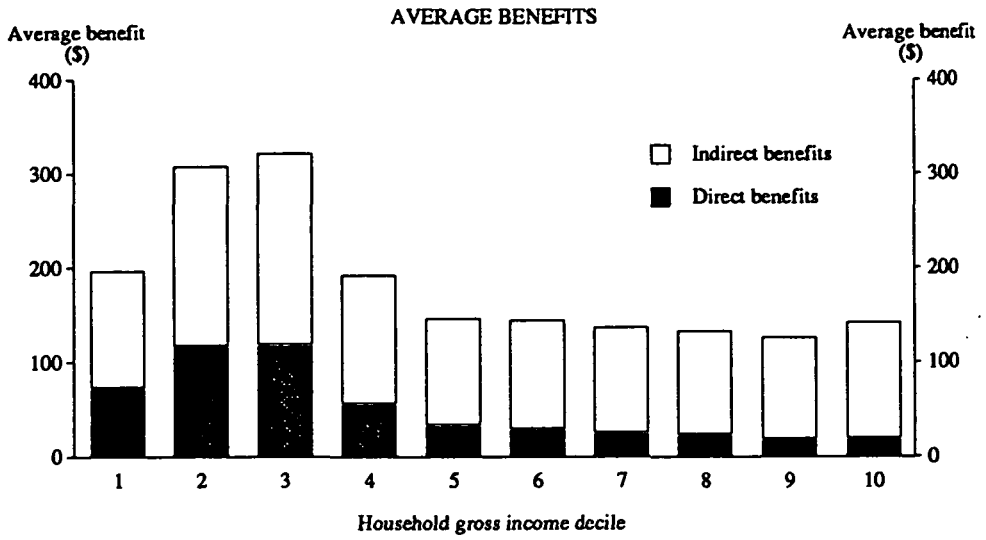
	<i>Principal Source of Gross Income</i>		
	<i>Private income</i>	<i>Government pensions and benefits</i>	<i>All sources</i>
	--Average Weekly Value (\$)--		
Private income . . . . .	537.38	19.32	401.43
<i>plus</i> Government direct benefits . . . . .	21.69	137.85	52.18
Gross income . . . . .	559.08	157.17	453.60
<i>less</i> Direct tax . . . . .	123.29	2.52	91.60
Disposable income . . . . .	435.78	154.65	362.01
<i>plus</i> Indirect benefits . . . . .	83.62	80.43	82.78
Disposable income plus indirect benefits . . . . .	519.40	235.08	444.79
<i>less</i> Indirect taxes . . . . .	44.97	17.42	37.74
Final income . . . . .	474.43	217.66	407.05
Total benefits . . . . .	105.31	218.28	134.96
Total taxes . . . . .	168.26	19.94	129.34

In this study the value of benefits allocated to households totalled \$35,365 million while the total tax revenue allocated was \$33,892 million. Translated into average values per household the value of benefits allocated was \$134.96 per week and the amount of total taxes allocated was \$129.34 per week.

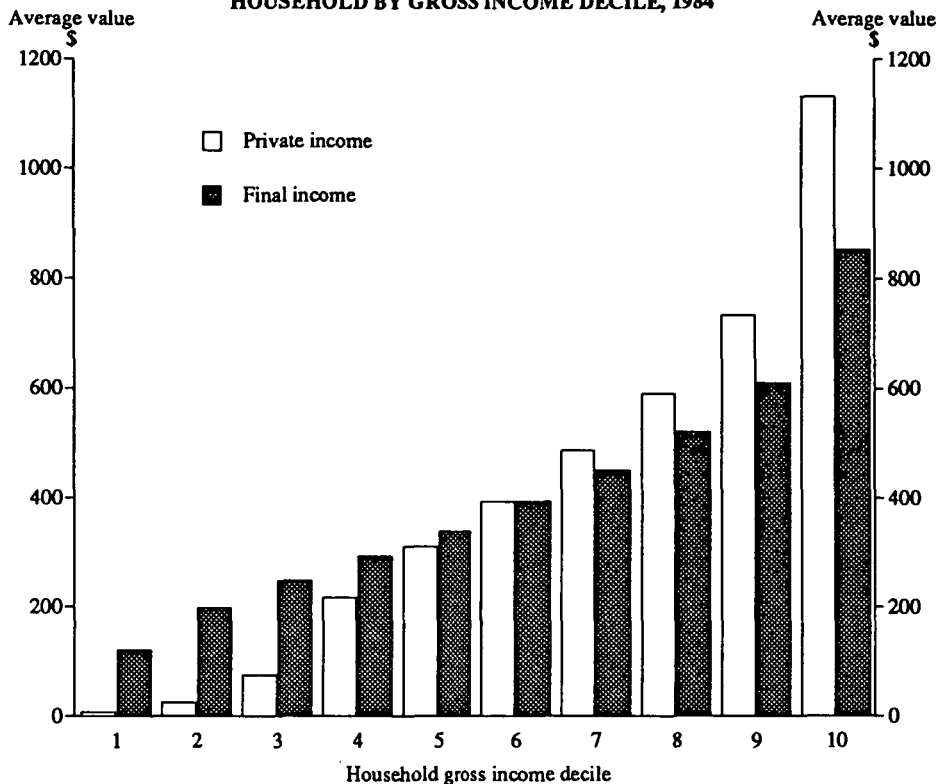
The fact that the total amount of benefits allocated did not differ greatly from the total amount of taxation revenue allocated has no particular significance, since both totals simply represent the aggregate of those components which could be readily allocated. It does, however, have the incidental effect of enabling the balance of benefits and taxes relating to particular household groups to be comprehended more readily as a broad measure of the net redistributive impact of those government activities which are included in the study.

The following diagrams illustrate the effect that government benefits and taxes have on household income when households are ranked according to their gross income.

**AVERAGE WEEKLY BENEFITS AND TAXES PER HOUSEHOLD BY GROSS INCOME DECILE, 1984**



**AVERAGE WEEKLY PRIVATE AND FINAL INCOME PER  
HOUSEHOLD BY GROSS INCOME DECILE, 1984**



### Income surveys

**ALL INCOME RECIPIENTS: DECILE CLASSES, INCOME SHARE AND MEAN ANNUAL  
INCOME, AUSTRALIA, 1981-82**

Decile class	Males		Females		Persons			
	Income share (per cent)	Mean annual income (\$)	Income share (per cent)	Mean annual income (\$)	Income share (per cent)		Mean annual income (\$)	
					1978-79	1981-82	1978-79	1981-82
Lowest . . . . .	1.8	2,500	0.4	300	0.5	0.5	390	600
2nd . . . . .	3.0	4,300	1.3	900	2.2	2.4	1,610	2,600
3rd . . . . .	4.7	6,700	3.6	2,400	3.6	3.6	2,680	3,800
4th . . . . .	6.9	9,700	5.3	3,500	4.8	4.7	3,540	5,000
5th . . . . .	8.7	12,200	6.2	4,200	7.0	6.9	5,230	7,200
6th . . . . .	10.1	14,200	8.0	5,400	9.8	9.5	7,300	10,000
7th . . . . .	11.5	16,200	11.0	7,400	12.2	12.0	9,080	12,600
8th . . . . .	13.3	18,700	14.9	10,000	14.5	14.5	10,790	15,100
9th . . . . .	15.7	22,100	19.2	12,900	17.7	17.8	13,190	18,700
Highest . . . . .	24.4	34,300	30.1	20,300	27.8	28.1	20,700	29,400
Median annual income (\$)		13,200		4,600			6,300	8,500
Mean annual income (\$)		14,100		6,700			7,500	10,500
Numbers ('000) . . . . .		5,066.4		4,858.6			9,590.4	9,925.1

**ALL INCOME UNITS: DECILE CLASSES, TYPE OF INCOME UNIT, INCOME SHARE AND MEAN ANNUAL INCOME, AUSTRALIA, 1981-82**

Decile class	<i>Married couple income units</i>								<i>All income units</i>			
	<i>With no dependent children</i>		<i>With dependent children</i>		<i>One parent income units</i>		<i>On person income units</i>		<i>1981-82</i>		<i>1978-79</i>	
	<i>Income share (per cent)</i>	<i>Mean annual income (\$)</i>	<i>Income share (per cent)</i>	<i>Mean annual income (\$)</i>	<i>Income share (per cent)</i>	<i>Mean annual income (\$)</i>	<i>Income share (per cent)</i>	<i>Mean annual income (\$)</i>	<i>Income share (per cent)</i>	<i>Mean annual income (\$)</i>	<i>Income share (per cent)</i>	<i>Mean annual income (\$)</i>
Lowest . . . . .	2.6	5,000	2.8	6,500	2.6	2,300	2.0	1,900	1.7	2,700	1.7	2,000
2nd . . . . .	3.6	6,800	5.3	12,100	4.8	4,300	3.9	3,700	2.9	4,500	2.9	3,300
3rd . . . . .	4.3	8,100	6.6	15,000	5.7	5,100	4.4	4,200	4.2	6,500	4.2	4,800
4th . . . . .	5.7	10,800	7.6	17,400	6.2	5,500	5.3	5,100	5.6	8,700	5.8	6,600
5th . . . . .	7.6	14,300	8.6	19,600	6.9	6,100	7.2	6,800	7.4	11,500	7.6	8,600
6th . . . . .	9.5	17,900	9.6	21,900	7.9	7,000	9.4	8,900	9.2	14,200	9.3	10,500
7th . . . . .	11.5	21,700	10.8	24,800	10.0	8,900	11.7	11,100	11.2	17,300	11.3	12,700
8th . . . . .	13.8	26,000	12.3	28,200	13.0	11,600	13.9	13,200	13.6	21,100	13.8	15,600
9th . . . . .	16.5	31,100	14.5	33,300	17.0	15,200	16.7	15,900	17.2	26,600	17.0	19,300
Highest . . . . .	25.0	47,200	22.0	50,500	25.8	22,900	25.4	24,200	27.0	41,700	26.4	29,800
Median annual income (\$)		16,000		20,700		6,500		7,800		12,900		9,600
Mean annual income (\$)		18,900		22,900		8,900		9,500		15,500		11,300
Numbers ('000) . . . . .		1,439.8		1,956.1		275.2		2,962.2		6,633.4		6,325.9

Surveys of income have been conducted by the ABS at irregular intervals. In the last such survey, conducted in the period September to December 1986, income was collected both on a last financial year basis, that is in respect of 1985-86, and on a current basis, that is at the time of interview.

As has been customary in such surveys, income was collected in respect of each of the following sources: wages or salaries; own business, trade or profession; government cash benefits; superannuation; interest, rent dividends; other sources. These were then aggregated to arrive at total income.

The survey was designed to enable the production of estimates both for individuals and for groups of individuals such as income units, families and households. Preliminary results were released in late 1987. Summary results from the 1981-82 survey have been released in the ABS publications, *Income of Individuals, Australia, 1981-82* (6502.0) and *Income of Income Units, Australia, 1981-82* (6523.0). Detail of concepts, definitions, etc. employed in the survey and observations on the quality and reliability of the data can be found in these publications.

Further detail from these surveys can be found in *Year Book* No. 69.

## Welfare-related surveys conducted by the ABS

### Disability and ageing

#### 1981 Survey of Handicapped Persons

During February to May 1981 a survey was conducted throughout Australia to obtain information about the nature and extent of various disabilities and handicaps in the Australian community.

The Survey examined the needs of, and the kinds of problems experienced by, persons with different types of handicaps. The areas examined in respect of handicapped persons included causes, disabling conditions, services, aids, accommodation, employment, education, income, transport, recreation and institutionalised care.

The sample for the Survey consisted of two distinct parts. In the first part, a sample of 33,000 households was selected from all households in Australia and in the second part, a sample of 5,300 patients or residents was selected from 723 randomly selected health establishments throughout Australia.

Results of the Survey are published in *Handicapped Persons, Australia* (4343.0).

#### 1988 Survey of Disability and Ageing

The Australian Bureau of Statistics conducted a survey throughout Australia in early to mid-1988 to obtain information about the characteristics of disabled and aged people and

their requirements for care. In common with the 1981 Survey of Handicapped Persons, the Survey comprised two parts. The first covered people living in a sample of households. The second covered residents and patients living in selected health establishments in Australia, for example, nursing homes and other aged persons' accommodation.

The Survey aimed to identify disabled and handicapped people and their abilities and requirements for help with a number of activities of personal and household daily living, for example, showering/bathing and light housework. Data relating to handicapped and disabled people are directly comparable with the 1981 Survey of Handicapped Persons with respect to numbers, causes of handicap, disabling conditions, employment, education and income.

The Survey also collected data on the care requirements of non-disabled people aged sixty years or more for the household activities of daily living. A small amount of information was also asked of those people who live with a disabled person and who are the main providers of help to that person with the personal activities of daily living.

Final survey results are expected to be released in the second half of 1989.

## **Other social groups**

### **1982 Family Survey**

During the period March to June 1982 a survey was conducted to obtain information on the formation, growth, break-up and reformation of families, and also on the manner in which families function.

Information obtained in the Survey included:

- size and composition of the family;
- age, sex, marital history and other demographic characteristics of persons;
- accommodation cost, type, occupancy and mobility;
- income levels and sources;
- family support networks as illustrated by frequency of contact with absent parents, support received by the aged, child care arrangements;
- financial assistance with home purchase.

The 1982 Family Survey was based on a sample of private dwellings (about 15,000 houses, flats, etc.) and non-private dwellings (hotels, motels, etc.) and covered about one-third of one per cent of the population of Australia.

Results of the survey are published in *Australian Families, 1982* (4408.0).

### **Survey of Ex-Service Personnel and Widows**

In June 1984, the ABS conducted a survey to obtain information on ex-service personnel and widows of those who served in the Australian Armed Forces and Allied Defence Forces during war-time. Results of the Survey have been released in the publication *Ex-service Personnel and Widows, Australia, June 1984* (4404.0).

# HISTORY OF PENSIONS AND OTHER BENEFITS IN AUSTRALIA

*(This special article has been contributed by the Department of Social Security)*

At the turn of the century there was no social security system in Australia. Charitable relief was provided to needy persons by voluntary organisations, in some cases with the assistance of government grants.

The main areas of need which attracted charitable assistance were the 'sick poor', neglected children, old people who were destitute and women who had been deserted or who had 'fallen' pregnant. The unemployed were assisted by grants of wages, or rations, in return for relief work provided by the government.

## **The beginnings**

The Commonwealth of Australia was formed on 1 January 1901 by federation of the six States under a written constitution which, among other things, authorised the new Commonwealth Parliament to legislate in respect of age and invalid pensions. In the event, the Commonwealth did not exercise this power until June 1908 when legislation providing for the introduction of means-tested 'flat-rate' age and invalid pensions was passed. The new pensions, which were financed from general revenue, came into operation in July 1909 and December 1910 respectively, superseding State age pension schemes which had been introduced in New South Wales (1900), Victoria (1900) and Queensland (1908) and an invalid pension scheme introduced in New South Wales (1908).

The new pension was paid to men from age 65. It was paid to women at age 60, but not until December 1910. The age pension was also subject to a residence qualification of 25 years which was reduced to 20 years shortly after introduction. A residence qualification of five years applied to the invalid pension.

In 1912 the Commonwealth introduced a maternity allowance. This allowance was a lump sum cash grant payable to a mother on the birth of a child.

## **1914–1940**

No new Commonwealth social security payments were introduced until World War II. There were, however, several notable developments in the States, including: in New South Wales, the introduction of widows' pensions in 1926 and child endowment in 1927; and in Queensland the introduction of an unemployment insurance scheme in 1923.

The principal changes in age and invalid pensions during this period were in the rates and the means test. A provision for automatic increases in pension rates on the basis of changes in the cost of living was introduced in 1933, repealed in 1937 and reintroduced in 1940. Measures which would have placed pensions on a social insurance basis and introduced a number of new cash payments were proposed in 1928 and 1938 but were not implemented.

The Commonwealth Department of Social Services was created in 1939 and became fully operative in 1941. Pensions had previously been administered within the Department of the Treasury.

## **1941–1949**

Child endowment was introduced in 1941. This provided a regular flat-rate cash payment, free of means test, to parents (usually the mother) for children after the first child. The New South Wales child endowment scheme was abolished at the same time.

Widows' pensions were introduced in 1942. As in the case of age and invalid pensions they were flat-rate means-tested payments financed from general revenue. Those eligible included deserted wives, divorced women, and women whose husbands were in prison or a mental hospital. A residence qualification of five years applied. The new scheme superseded the New South Wales widows' pension.

There were several developments in 1943. Funeral benefits were introduced; these were lump sum grants payable for the funeral costs of a pensioner. Wife's allowance was introduced for an incapacitated male pensioner with a dependent spouse. A reciprocal agreement on social security was concluded with New Zealand. In addition, automatic cost-of-living adjustments to pension rates were repealed when their application would have resulted in a rate reduction.

There was a major extension of the social security system in 1945 with the introduction of Commonwealth unemployment and sickness benefits in the form of flat-rate payments financed from general revenue and subject to an income test. The Queensland scheme of unemployment insurance was superseded by the new benefits. The introduction of these new benefits took place against a background of major changes in the revenue-raising functions of the Commonwealth and the States. The Commonwealth took sole responsibility for income tax in 1942, and thus expanded substantially its capacity to raise revenue. While the exigencies of World War II had much to do with this change, its broader effect was to facilitate an expansion of the Commonwealth's role in social security as in other areas.

There was a further development of specific relevance to social security in 1945. The Commonwealth split the personal income tax into two components. One, the social services contribution, was to be used exclusively to finance social security cash payments. Revenue from the contribution was paid into the National Welfare Fund, from which all such cash payments were to be made, but there was no link between personal contributions and entitlements. The fund was supplemented by subventions from payroll tax and general revenue. In the event, the social services contribution was again merged into a single personal income tax in 1950. All cash payments are now made direct from general revenue.

Doubts had arisen during the early forties about the constitutional validity of the Commonwealth legislation in respect of cash payments other than age and invalid pensions, which were specifically within the powers of the Commonwealth. Accordingly, a referendum was held in 1946 under which the Commonwealth sought an extension of its powers in the areas of social security and health. The referendum was carried. In 1947 the various social security cash payments were consolidated into a single Social Services Act.

## 1950-1969

In 1950 child endowment was extended to cover the first child. It was further extended in 1964 to cover children who, after reaching the normal disqualifying age of 16, continued as full-time students but were aged under 21.

The Pensioner Medical Service was established in 1951. In effect, it provided free medical treatment to pensioners through participating doctors who were paid a fee for treating pensioners free of direct charge. The service also made free hospital treatment available to pensioners.

In 1952 the means test on age and invalid pension eligibility was largely removed for permanently blind people. It was completely removed in 1954.

A reciprocal agreement on social security was concluded with the United Kingdom in 1953.

In 1956 pensioners with more than one child became entitled to additional pension for each child after the first. Previously, an allowance had been payable only for the first child.

Supplementary assistance (now known as rent assistance) was introduced in 1958 for a single pensioner paying rent, and wholly or substantially dependent on his or her pension. A married pensioner whose spouse was not a pensioner was also eligible.

A major change took place in the pension means test in 1961. The separate property and income tests, which previously had formed the means test, were combined into a composite whole called the merged means test under which means were calculated by adding personal earnings to 10 per cent of the value of property.

In 1962 there was a reduction from 20 to 10 years in the residence qualification for age pension.

A standard rate of pension was introduced in 1963. Before that, the maximum rate of pension for a single person was the same as for a married person. The new standard rate gave single pensioners a higher payment in recognition of the economies available to a married couple from sharing living expenses. Also in 1963 a payment known as mother's allowance was added to the rate of widow's pension. In 1965 an equivalent payment was extended to single age and invalid pensioners with children.



In 1965 wife's allowance was extended to cover any pensioner's wife not herself entitled to a pension. Previously it was payable only if the pensioner was incapacitated.

Sheltered employment allowance was introduced in 1967 for persons employed in sheltered workshops and qualified to receive invalid pension. The allowance was payable as a supplement to the sheltered employee's workshop earnings in lieu of invalid pension, but at the same rate. A more liberal means test applied to the allowance than to invalid pension but was superseded by the tapered means test in 1969.

A concession commonly called 'special temporary allowance' was introduced in 1968 to assist pensioners on the death of a spouse. In effect, the allowance provided for the continuing payment, for 12 weeks after the death of the spouse, of the total pension payable to the couple.

Also in 1968 the residence qualification of five years for widow's pension was abolished in respect of women becoming widows while living in Australia. In the same year the Commonwealth agreed to subsidise the States to assist mothers with the sole care of children and not eligible for widow's pension.

A major liberalisation of the pension means test took place in 1969. The rate of reduction in pension was changed from 100 per cent to 50 per cent of the amount by which a pensioner's means exceeded the maximum level not affecting the pension rate. The new arrangement became known as the 'tapered means test'. It was accompanied by a measure to restrict the availability of the Pensioner Medical Service. Under this measure, people who qualified for pensions only because of the tapered means test did not become entitled to Pensioner Medical Service benefits as well.

## **1970 onwards**

The earlier part of this period saw an expansion of existing provisions. The latter part has been one of consolidation and rationalisation. The major events are described below.

### **Introduction and abolition of benefits**

In 1970 a 'long-term rate' of sickness benefit became payable after six weeks in receipt of benefit. At the same time such beneficiaries paying rent became eligible to receive a supplementary allowance (now known as rent assistance). The long term rate was absorbed in 1973.

The wife's allowance was replaced by wife's pension in 1972. The new pension was payable to an age, invalid or repatriation service pensioner's wife who was not entitled to a pension herself.

In 1973 supporting mother's benefit was introduced for single mothers not entitled to widow's pension. The new benefit was payable after a six-month waiting period, during which time the States remained responsible for the single mother's income support under the Commonwealth-State cost-sharing arrangements introduced in 1968. The supporting mother's benefit was extended in 1977 to single fathers, including widowers and divorcees, and renamed supporting parent's benefit. The six-month waiting period for this benefit was abolished in 1980 when the States withdrew from the Commonwealth-State cost-sharing arrangements. The six-month waiting period still applying to certain categories of widow's pension was also abolished in 1980.

Also in 1973 a double orphan's pension was introduced for the guardian of a child whose parents are both dead. The pension is a flat-rate non-income-tested payment.

In 1974 a free-of-income-test, flat-rate payment called handicapped child's allowance was introduced. This was for parents of severely handicapped children requiring constant care and attention at home. The allowance was extended to cover less severely handicapped children in low-income families in 1977.

Family allowances were introduced in 1976. This was effected by substantially increasing child endowment rates, extending eligibility for students to include those aged 21 to 24 years (inclusive), and abolishing tax rebates for children and students. Low-income families gained substantially from these changes.

The spouse carer's pension was introduced in 1983. It was payable to a man caring for his severely handicapped or invalid wife who required constant care and attention in the matrimonial home. In 1985 it was subsumed by the carer's pension which provides income support to a person with limited means who is providing constant and long-term care to a severely disabled spouse or near relative receiving an age or invalid pension.

Also in 1983, Family Income Supplement (FIS) was introduced in the form of an income-tested, non-taxable allowance payable in respect of children to the main breadwinner in low-income families not receiving a pension or benefit. Payment was transferred to the family allowance recipient (usually the mother) in 1984.

Two other new payments were introduced in 1983. Mobility allowance became payable to severely handicapped persons unable to use public transport, and rehabilitation allowance (broadly equivalent to an invalid pension) became payable to persons assisted through the Commonwealth Rehabilitation Service.

Remote area allowance was introduced in 1984. This allowance is payable to pensioners and beneficiaries who reside in specified areas of Tax Zone A.

In 1985 payment of family allowance in respect of student children who have attained the age of 18 was discontinued, except in the case of certain low-income families. An income test was introduced in 1987 on family allowance for students aged 16 and 17. A special addition to family allowances became payable in 1985 to certain families with multiple births (three children or more) until the children reach six years of age.

Rent assistance was extended to unemployment beneficiaries in 1986.

Young homeless allowance was introduced in 1986 to provide additional assistance to unemployment and sickness beneficiaries under 18 years who are homeless and without parental or custodial support.

### **Fringe benefits changes**

In 1973, the conditions of eligibility for access to the Pensioner Medical Service (now Pensioner Health Benefits) were tightened by freezing the disqualifying levels of income. These limits remained frozen until 1979. Further increases in the limits took place in 1979 and 1982. Automatic indexation was introduced in 1983.

Eligibility for Pensioner Health Benefits, and all associated Commonwealth fringe benefits, was extended to recipients of supporting parents' benefits in 1979 and sickness benefits in 1980. Entitlement to only a limited range of fringe benefits had been originally granted to supporting mothers and later, supporting fathers.

In 1983, the basic income limits applicable to persons eligible for 'fringe benefits' became indexed in line with movements in prices. Also in 1983, people who gave up an invalid pension or sheltered employment allowance to take up open employment became eligible for Health Care Cards free of income test for a period of 12 months. The aim was to improve incentives for invalid pensioners to re-enter the open workforce. In 1985 fringe benefits were made subject to an assets test as well as the income test. The assets test limits are indexed annually in line with price movements.

### **Means tests**

The pension means test has undergone several significant changes since 1970. It was abolished for pensioners aged 75 and over in 1973 and for pensioners aged 70 and over in 1975. The means test was replaced by an income test in 1976. In 1978 the rate of the free-of-income-test age pension for those aged 70 years and over was frozen. In 1983 this frozen rate became subject to a special income test which will eventually be overtaken by the normal income test.

An assets test on pensions was introduced in 1985. It operates alongside the income test. Assets test limits are increased in line with price movements.

The income test for unemployment and sickness benefits was liberalised several times between 1980 and 1986.

### **Indexation and rates**

In 1973 the single and married rates of unemployment and sickness benefits were increased for all age groups to bring them up to an appropriate standard equivalent to the married rates of pension. The long-term sickness benefit rate was superseded by this measure.

The pension and benefit rates were increased in 1975 in line with price movements, except in the case of unemployment and sickness benefits for single people aged under 18. In 1977, this link became automatic.

Indexation was withdrawn from the rate of unemployment benefit for single persons 18 years and over in 1978. It was restored in 1983 but again withdrawn for those aged 18, 19

and 20 years in 1985. Ad hoc increases have been granted for those beneficiaries since, and further steps announced are designed to integrate unemployment benefits for persons under 21 with education allowances.

#### **Portability and residence**

In 1972 reciprocal (pension portability) agreements were concluded with Italy, Greece, Turkey and Malta. These were superseded in 1973 by the introduction of general portability of Australian pensions.

In 1974 the residence test applying to invalid pension was abolished for persons whose permanent incapacity or blindness occurred in Australia.

Pensions granted after 1 July 1986 are now subject to a residence proportion formula for portability purposes.

#### **Other benefits**

In conclusion, it should perhaps be added that the private sector continues to play an important role in the provision of financial support to people in major contingencies. Private employers are required by State government legislation (and equivalent measures in the Commonwealth Territories) to insure their employees against work injuries and specified occupational diseases; industrial awards usually provide for a measure of paid sick leave; and occupational pension schemes are becoming increasingly available to employees.

Employees in the public sector are also entitled to work injury benefits and paid sick leave, which are financed from general revenue. They are also covered by occupational pension schemes to which the government (as the employer) and employees both contribute.

Coverage against the financial consequences of road injuries is provided through insurance (third party insurance is compulsory for motorists). A large volume of life insurance is also written.

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