6. SOCIAL SECURITY AND WELFARE

NATURE OF OUTLAYS

Most social security assistance is provided in the form of benefits paid directly to recipients and/or families who satisfy eligibility criteria. Payments are generally indexed to movements in the Consumer Price Index to maintain their real value. In addition, the maximum single rate of pension is maintained at 25 per cent of Male Total Average Weekly Earnings, with associated flow-ons to the married rate of pension and the above minimum rate of Family Allowance.

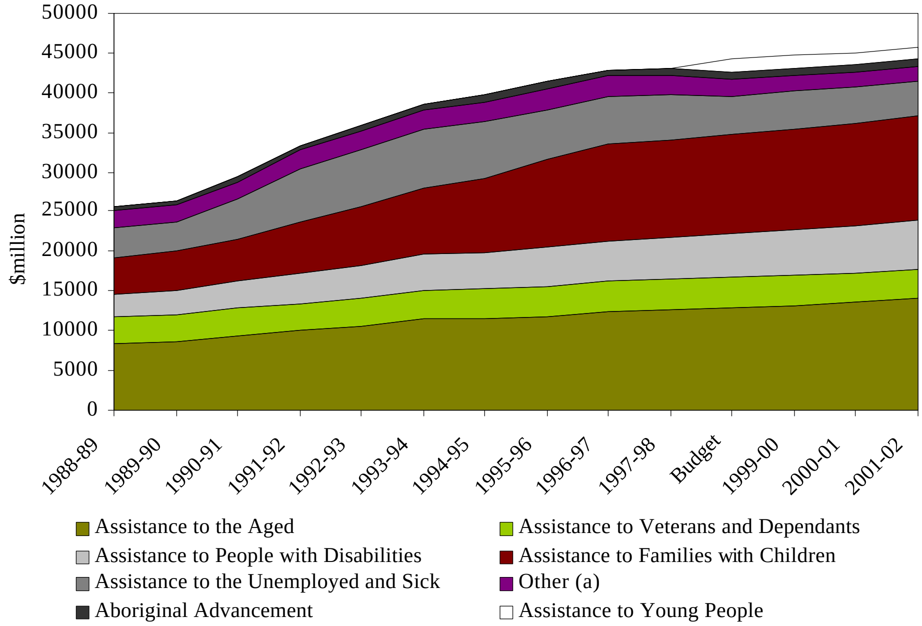
This function also includes funding for a wide range of welfare services for people with special needs. Social security and welfare assistance is provided through the Commonwealth Service Delivery Agency, Centrelink, or through other Commonwealth, State and local government authorities and voluntary agencies. It includes services to the aged and people with disabilities, a variety of child care services and advancement programmes for Aboriginal and Torres Strait Islander peoples.

Not included under this function is assistance provided indirectly through the personal income tax system. This assistance includes concessional income tax rebates for pensioners and beneficiaries; dependent spouse rebates, family tax assistance and sole parent rebates which mainly assist low to middle income families; and deductions allowed for gifts to certain welfare bodies which provide indirect assistance to the organisations concerned. Details of these are provided in the *Tax Expenditures Statement 1996-97* released by the Treasury in December 1997.

This function mainly includes outlays of the following portfolios:

- Social Security;
- Veterans' Affairs;
- Health and Family Services;
- Treasury;
- Immigration and Multicultural Affairs;
- Transport and Regional Development;
- Employment, Education, Training and Youth Affairs; and
- Prime Minister and Cabinet (Aboriginal and Torres Strait Islander Affairs).

Chart 1. Overview of Commonwealth Outlays on Social Security (1989-90 prices)



(a) 'Other' includes Other Welfare Programmes; General Administration; and Recoveries and Repayments

TRENDS IN SOCIAL SECURITY AND WELFARE OUTLAYS

Priorities within the Social Security and Welfare function have over time moved away from universal provision of benefits towards means tested benefits targeted to those most in need. At the same time, measures have been introduced to increase the adequacy of payments and to enhance incentives for self-help.

Policy changes have sought to:

- improve incentives for people to meet their own needs by better utilising their assets and maximising their private income;
- provide an additional benchmark for pension adjustment by maintaining the maximum single rate of pension at 25 per cent of Male Total Average Weekly Earnings;
- provide for spending in areas of greatest need, for example, increased assistance to families with children, focusing in particular on low income families;
- rationalise and simplify income support payments through the introduction of Youth Allowance and the Parenting Payment;

- improve the flexibility of the Child Support Scheme and provide greater equity within the payment structure for parents and more regular financial support for children;

- minimise incorrect payment of entitlements through initiatives such as data matching between the Department of Social Security and the Australian Taxation Office and measures to tighten administration of the activity test for receipt of Newstart Allowance;

- encourage sole parents and the unemployed to enter or re-enter the labour market, particularly through the provision of assistance for child care, and the introduction of specific programmes for the long-term unemployed, the young unemployed and sole parents; and

- improve the workforce attachment of people with disabilities and make better provision for their carers.

The major factors contributing to growth in outlays over the past decade have been the indexation of pensions and benefits, growth in client numbers in demand driven programmes, and changes in outlays resulting from Government policy initiatives.

The main contributors to this growth were:

- increases in the real level of assistance, such as higher rates of payment and the introduction of supplementary payments for clients such as families with children; and

- an increase in client numbers, particularly among the aged and people with disabilities.

Over the budget and forward years the outlays expected to contribute most to growth are:

- assistance to the aged (mainly due to maintaining the single rate of pension at 25 per cent of Male Total Average Weekly Earnings);

- assistance to families with children (including the Family Tax Payment component of the Family Tax Initiative and child care assistance); and

- assistance to people with disabilities.

The apparent decline in unemployment outlays over the forward years largely reflects the transfer of the young unemployed to the new Youth Allowance payment. Youth Allowance, which also includes significant funding which previously appeared under the Education Function, is shown in the new subfunction *6.6 Assistance to Young People*.

1998-99 AND FORWARD ESTIMATES

			1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
6.1	Assistance to the Aged	$m	14767.8	15654.9	16326.8	17342.0	18470.8
		%		6.0	4.3	6.2	6.5
6.2	Assistance to Veterans and Dependants	$m	4507.6	4563.4	4639.2	4682.9	4715.3
		%		1.2	1.7	0.9	0.7
6.3	Assistance to People with Disabilities	$m	6263.5	6740.1	7235.9	7562.7	7964.9
		%		7.6	7.4	4.5	5.3
6.4	Assistance to Families with Children	$m	14305.8	14845.2	15708.7	16425.0	17155.5
		%		3.8	5.8	4.6	4.4
6.5	Assistance to the Unemployed and Sick	$m	6760.7	5853.1	5784.4	5624.9	5569.9
		%		-13.4	-1.2	-2.8	-1.0
6.6	Assistance to Young People	$m	-	1994.3	1975.6	1969.9	1990.7
		%		na	-0.9	-0.3	1.1
6.7	Other Welfare Programmes	$m	967.9	918.3	910.5	914.0	944.6
		%		-5.1	-0.8	0.4	3.3
6.8	Aboriginal Advancement Programmes nec	$m	1057.9	1119.2	1153.1	1176.4	1203.3
		%		5.8	3.0	2.0	2.3
6.9	General Administration	$m	1843.6	1836.2	1615.8	1604.7	1613.6
		%		-0.4	-12.0	-0.7	0.6
6.10	Recoveries and Repayments	$m	-55.0	-66.7	-65.8	-65.8	-65.8
		%		21.3	-1.3	na	na
	TOTAL	$m	50419.9	53458.1	55284.3	57236.8	59562.7
		%		6.0	3.4	3.5	4.1

6.1 ASSISTANCE TO THE AGED

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Age Pension and Allowances	$m	13400.4	14136.4	14662.4	15523.2	16502.5
	%		5.5	3.7	5.9	6.3
Residential Care Subsidies for the Aged (Low Care Needs)	$m	694.1	722.5	757.6	798.9	845.3
	%		4.1	4.9	5.5	5.8
Home and Community Care and Community Aged Care Packages	$m	456.0	519.0	575.9	640.3	705.6
	%		13.8	11.0	11.2	10.2
Partner Allowance	$m	217.4	277.0	330.9	379.6	417.3
	%		27.4	19.5	14.7	9.9
TOTAL	$m	14767.8	15654.9	16326.8	17342.0	18470.8
	%		6.0	4.3	6.2	6.5

Outlays provide income support for aged people and their dependants, residential care for those aged people who are unable to live at home but who do not require intensive nursing care, and community care alternatives for those frail aged and younger people with a disability for whom long-term residential accommodation would be inappropriate.

Age Pension and Allowances

Age Pension is payable to women aged 61 years and over (increasing to 65 years by 2014) and to men aged 65 years and over, subject to residency requirements and income and assets tests. Pensioners may also qualify for Rent Assistance if they are renting privately.

Residental Care Subsidies for the Aged (Low Care Needs)

The Commonwealth pays subsidies for personal care and respite care for aged or disabled persons in approved residential care facilities. In 1997-98, nursing homes and hostels were brought together under one set of residential care service arrangements. The expenditures shown here are those related to the lower levels of personal care provided by services previously known as hostels. Funding for more intensive assistance is shown under the Health Function (see *5.4 Residential Care Subsidies and Domiciliary Care Services*).

Home and Community Care and Community Aged Care Packages

The Commonwealth, in conjunction with the States, funds a range of services for frail aged, and younger people with a disability who are at risk of institutionalisation, to enable them to continue to live in their own homes. Funding for Home and Community Care (HACC) is shared with the States (see also *5.4 Residential Care Subsidies and Domiciliary Care Services*). The level of Commonwealth funds made available for the HACC programme each year increases by six per cent (in real terms), with some adjustment of this rate for expected changes in the level of user charging. Funding for Community Aged Care Packages is growing at an even higher rate, as the number of packages grows towards the target of 10 per thousand people aged 70 and over.

Partner Allowance

Partner Allowance is paid to partners of pensioners and allowees born on or before 1 July 1955 who have no recent workforce experience and no dependent children (see *6.5 Assistance to the Unemployed and Sick* for information on allowees). Wife Pension is paid to the wife of a pensioner if the wife does not receive a pension in her own right. There have been no new grants of Wife Pension since 1 July 1995.

6.2 ASSISTANCE TO VETERANS AND DEPENDANTS

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Disability Pensions and Allowances	$m	1896.9	1991.6	2091.0	2174.7	2254.2
and War Widows' Pension	%		5.0	5.0	4.0	3.7
Service Pensions	$m	2588.4	2558.0	2537.3	2500.0	2451.9
	%		-1.2	-0.8	-1.5	-1.9
Other	$m	22.3	13.8	10.9	8.2	9.2
	%		-38.1	-21.0	-24.8	12.2
TOTAL	$m	4507.6	4563.4	4639.2	4682.9	4715.3
	%		1.2	1.7	0.9	0.7

These outlays provide income support and compensation, in the form of pensions, to veterans and their dependants for incapacity or death resulting from war or defence service. The number of veterans is declining, resulting in reduced outlays on Service Pensions. However, due to veterans' increased mortality and worsening of their war-caused disabilities, outlays on War Widows' Pensions and on Disability Pensions and Allowances are increasing.

For other significant outlays on veterans see *5. Health.*

Disability Pensions and Allowances and War Widows' Pension

Disability pensions and allowances are paid to ex-service men and women for service-related incapacities at rates which vary with the level of incapacity. War Widows' Pension is payable to the widow(er)s of veterans, peacekeepers, mariners and defence personnel whose death was service-related (and in certain other limited circumstances). Disability Pension and Allowances and War Widows' Pension are not subject to personal income tax or income and assets tests.

Service Pensions

These are payable to veterans who have qualifying service, and are of qualifying age (56 years for women, increasing to age 60 by 2014, and 60 years for men), or who are incapacitated for work. Service Pension carries the same rates and range of additional payments as the Age Pension. It also has the same income test as the Age Pension, except that any Disability Pension and related allowances received are not regarded as income for these purposes.

Other

This item includes grants to veterans' associations and to community groups in relation to non-institutional care and hostel accommodation for veterans.

6.3 ASSISTANCE TO PEOPLE WITH DISABILITIES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Disability Support Pension	$m	5559.1	5989.4	6468.8	6766.1	7142.9
and Allowances	%		7.7	8.0	4.6	5.6
Other Payments to People with	$m	44.4	47.5	51.7	55.7	59.9
Disabilities	%		7.0	8.8	7.7	7.5
Disability and Rehabilitation Services	$m	660.0	703.2	715.4	740.9	762.0
	%		6.5	1.7	3.6	2.8
TOTAL	$m	6263.5	6740.1	7235.9	7562.7	7964.9
	%		7.6	7.4	4.5	5.3

These outlays provide means tested income support to people with disabilities as well as partners, parents and other carers of people with disabilities, assistance with labour force related transport costs, and services which increase the independence and employment opportunities of people with disabilities. Payments are made to the States under the Commonwealth State Disability Agreement (CSDA) for accommodation and related services, and directly to non-government agencies for employment and related services.

Disability Support Pension and Allowances

Eligibility for the Disability Support Pension requires a minimum level of medical impairment and a continuing inability to work full-time or to undertake educational or vocational training within the following two years. Disability support pensioners may be assessed with a view to their undertaking suitable training, rehabilitation or job search (where appropriate), to increase their chances of employment.

Other Payments to People with Disabilities

The main payment under this item is Mobility Allowance, which is payable to people with a disability who are in employment, vocational training, a combination of work or training, or voluntary work and who are unable to use public transport without substantial assistance. In December 1997 the Government announced a clarification of policy, putting beyond doubt that payment of Mobility Allowance could be made to participants undertaking independent living skills training.

Disability and Rehabilitation Services

The CSDA defines the roles and responsibilities of the Commonwealth and the States for service provision. The States provide accommodation support and related services with funding assistance from the Commonwealth through Specific Purpose Payments. Assistance directed at helping people with a disability to gain employment is provided by the Commonwealth under this agreement through the Disability Services Programme. The Commonwealth Rehabilitation Service (CRS) provides vocational rehabilitation programmes to people with disabilities who are of working age. In December 1997 the Government announced that the CRS will be established as a company limited by shares during 1998, as a preliminary step to the introduction of competition for these services. Once competition is introduced, a wider choice of rehabilitation services is likely to become available to prospective clients.

6.4 ASSISTANCE TO FAMILIES WITH CHILDREN

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Family Allowance	$m	6383.9	6512.1	6742.6	7053.0	7326.0
	%		2.0	3.5	4.6	3.9
Sole Parent Pensions and Allowances	$m	2230.4	-	-	-	-
	%		-100.0	na	na	na
Parenting Allowance	$m	1577.5	-	-	-	-
	%		-100.0	na	na	na
Parenting Payment	$m	1458.7	5578.8	6012.1	6316.6	6664.7
	%		na	7.8	5.1	5.5
Family Tax Payment	$m	560.2	577.0	582.8	581.5	584.9
	%		3.0	1.0	-0.2	0.6
Other Child Payments	$m	249.4	255.0	281.9	301.6	320.3
	%		2.2	10.5	7.0	6.2
Maternity Allowance	$m	193.5	182.3	232.5	232.7	233.8
	%		-5.8	27.5	0.1	0.5
Child Care	$m	973.7	1037.9	1129.8	1187.7	1267.1
	%		6.6	8.9	5.1	6.7
Other	$m	678.6	702.2	727.0	752.0	758.6
	%		3.5	3.5	3.4	0.9
TOTAL	$m	14305.8	14845.2	15708.7	16425.0	17155.5
	%		3.8	5.8	4.6	4.4

Outlays under this subfunction are mainly to ensure that families with children receive financial assistance towards the support of their children. Assistance is also provided to sole parents in recognition of the difficulties they face in combining responsibility for dependent children with paid employment, and of the additional cost of children in sole parent families.

Family Allowance

Family Allowance (formerly Family Payment) is a non-taxable means tested payment to families with children under 16 years of age and dependent secondary students up to 18 years of age (if they do not receive an education payment). A higher rate Family Allowance is paid for each child to families with lower incomes and a minimum rate Family Allowance is paid to families with higher incomes (for example, to families with incomes up to $65,941 a year with one child). The higher rate varies according to age of children as well as other family circumstances. (Low income recipients may also qualify for additional payment such as Rent Assistance and/or Guardian Allowance.)

Sole Parent Pensions and Allowances and Parenting Allowance

Sole Parent Pension and Parenting Allowance were subsumed into Parenting Payment on 20 March 1998.

Parenting Payment

Parenting Payment (PP) is available to sole and partnered parents caring for children under 16 years of age. However a sole parent who is caring for a child over 16 years of age in receipt of a Child Disability Allowance is also eligible for PP.

Sole parents receive single rate PP which is taxable. Members of a couple (of which only one can claim PP) receive partnered rate PP which is made up of two components. The basic component of partnered rate PP is non-taxable and is subject to an income test on the claimant's income only. The additional component of partnered rate PP is a taxable payment which supplements the basic PP and is subject to income tests on both partners' income.

Family Tax Payment

The Family Tax Initiative provides additional assistance to families with children through tax concessions (Family Tax Assistance), or fortnightly cash payments (Family Tax Payment) for low income families, subject to a family income test.

Family Tax Payment is paid as a non-taxable payment to families with dependent children up to the age of 16 years and in certain circumstances dependent secondary students up to 18 years of age. It is available as a fortnightly cash payment to all families whose taxable income entitles them to the higher rate of Family Allowance and/or basic partnered rate Parenting Payment.

Other Child Payments

This item covers outlays on Child Disability Allowance and Double Orphan Pension. (Double Orphan Pension is paid to a person who has care of a child whose parents have both died, and in certain other limited circumstances). These non-means tested, non-taxable payments are made fortnightly with Family Allowance.

From 1 July 1999 Child Disability Allowance will be combined with the Domiciliary Nursing Care Benefit and renamed Carer Allowance.

Maternity Allowance

Maternity Allowance is a non-taxable lump sum amount paid on the birth of a child to families who meet the eligibility requirements for Family Allowance. Maternity Allowance is paid in two instalments, one upon the birth of a child, and a further instalment at 18 months, receipt of which is linked to the immunisation of the child.

Child Care

The main forms of Commonwealth assistance for child care are:

- income tested Childcare Assistance for eligible families using approved services including long day care centres, Commonwealth family day care schemes, occasional care services and outside school hours care services. To ensure assistance is targeted to working parents, Childcare Assistance for non-work related care has been limited to 20 hours per week per child, from 27 April 1998;
- a Childcare Cash Rebate for families using formal or informal child care for work-related purposes;
- operational subsidies to support family day care services and subsidies for community based long day care centres and outside school hours care services in disadvantaged areas, primarily those in rural and remote locations;
- child care for parents participating in the Jobs Education and Training (JET) programme;
- capital funding to support non-profit community based services; and
- funding to assist other special needs groups.

There will continue to be real growth in the child care outlays through the payment of child care subsidies to eligible families (see table below). The growth rate has been influenced by the introduction of a planning system which will ensure child care is located where it is most needed. This, combined with changed patterns of demand, has led to a more moderate estimate of the growth in child care outlays than in previous years.

Child Care - Outlays by Funding Type

	1997-98 $m	1998-99 $m	1999-00 $m	2000-01 $m	2001-02 $m
Childcare Assistance	639.3	703.6	794.4	858.4	929.0
Childcare Cash Rebate	123.0	131.2	146.1	146.8	153.6
Operational Subsidies	94.7	93.9	95.4	96.6	99.3
Child care for eligible parents undergoing JET	5.2	9.6	10.0	10.1	10.3
Capital Funding	14.7	26.0	16.1	5.8	3.3
Other (a)	96.8	73.6	67.8	70.0	71.6
TOTAL	973.7	1037.9	1129.8	1187.7	1267.1

(a) Mainly payment for special services, supplementary services, programme support, accreditation and innovative service strategy.

Other

Outlays provided for the Child Support Agency (CSA) within the Australian Taxation Office include expected payments from the Child Support Trust Account to parents with custody of children. Child Support payments collected from non-custodial parents are paid into this Trust Account and are classified as revenue.

Funding is also provided to the Australian Institute of Family Studies for research into matters affecting family well-being.

6.5 ASSISTANCE TO THE UNEMPLOYED AND SICK

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Newstart Allowance	$m	6345.8	5437.6	5359.4	5195.1	5130.1
	%		-14.3	-1.4	-3.1	-1.3
Sickness Allowance	$m	94.6	88.2	89.6	90.1	92.4
	%		-6.8	1.6	0.6	2.6
Partner Allowance	$m	320.3	327.2	335.4	339.7	347.5
	%		2.2	2.5	1.3	2.3
TOTAL	$m	6760.7	5853.1	5784.4	5624.9	5569.9
	%		-13.4	-1.2	-2.8	-1.0

Income support is provided to persons who are unemployed, or unable to work because of temporary incapacity, and who have limited alternative means of support. The decline in outlays for Newstart Allowance and Sickness Allowance in 1998-99 largely reflects the transfer of the young unemployed to the new Youth Allowance payment (involving outlays of around $750 million).

Newstart Allowance

Newstart Allowance (NSA) is available to men and women aged from 21 years up to Age Pension age who are unemployed, actively seeking, and willing to take up any suitable work. Partners of recipients are required to test their eligibility for a payment in their own right. The aim of NSA is to support and require job search, training and other activity obligations designed to overcome difficulties in returning to work.

Other payments included under Newstart Allowance in the above table are the Mature Age Allowance and until June 1998 the Youth Training Allowance (YTA). The Mature Age Allowance allows unemployed people aged from 60 to Age Pension age, who have no recent workforce experience, to transfer to an allowance with no job search requirements. YTA is currently paid to young unemployed people under the age of 18 years, but above minimum school leaving age, who are undertaking approved education, training or job search activities.

From July 1998 YTA will be merged into a new payment called Youth Allowance that will also replace NSA for those aged under 21 years old and AUSTUDY for students aged under 25 years (see *6.6 Assistance to Young People*).

Sickness Allowance

Sickness Allowance is paid to people who are employed (or studying full-time) and have suffered a loss of income due to temporary illness or incapacity. Sickness Allowance payments are generally limited to 12 months.

Partner Allowance

Partner Allowance is paid to partners of income support allowance recipients who were born on or before 1 July 1955, who have no dependent children aged under 16 years and have no recent workforce experience.

6.6 ASSISTANCE TO YOUNG PEOPLE

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Assistance to Young People	$m	-	1994.3	1975.6	1969.9	1990.7
	%		na	-0.9	-0.3	1.1

Outlays under this subfunction provide means tested income support to young people.

Youth Allowance

Youth Allowance is an income support payment for students under 25 years of age and for the unemployed under 21 years of age. Youth Allowance commences on 1 July 1998 and will replace AUSTUDY for students under 25 years of age; Youth Training, Newstart and Sickness Allowance for under 21 year olds; and the higher rate Family Allowance for secondary students aged 16-18 years. All young people receiving Youth Allowance will be subject to parental means tests unless considered independent. Youth Allowance will extend rent assistance to students living away from home and abolish the minimum payment threshold of $1,000 a year for students.

Of payments for 1998-99, approximately 60 per cent comprise the transfer of AUSTUDY for students under 25 years of age (around $1,250 million) with the balance of around $750 million reflecting the transfer of Youth Training, Newstart and Sickness Allowances for those under 21 years of age.

Prior to July 1998, assistance to students under 25 years of age was shown under the Education Function (see *4.4 Student Assistance*) and payments to Youth Training, Newstart and Sickness allowees under 21 years of age were shown under *6.5 Assistance to the Unemployed and Sick*.

6.7 OTHER WELFARE PROGRAMMES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Special Benefit	$m	103.8	98.0	104.5	106.2	109.4
	%		-5.6	6.6	1.6	3.0
Other Assistance to Widows	$m	331.0	326.3	318.5	334.3	353.9
	%		-1.4	-2.4	5.0	5.9
Accommodation Assistance	$m	196.9	196.7	195.8	196.2	197.7
	%		-0.1	-0.5	0.2	0.8
Asylum Seeker Assistance	$m	11.0	10.0	3.9	4.0	4.1
	%		-9.1	-61.0	2.6	2.5
Migrant Settlement Support	$m	59.0	60.0	60.6	61.6	62.5
	%		1.7	1.0	1.7	1.5
Communication Allowances and	$m	25.5	26.2	26.3	26.4	26.6
Postal Concessions	%		2.7	0.4	0.4	0.8
Other	$m	240.7	201.1	200.9	185.5	190.4
	%		-16.5	-0.1	-7.7	2.6
TOTAL	$m	967.9	918.3	910.5	914.0	944.6
	%		-5.1	-0.8	0.4	3.3

This subfunction comprises a number of related programme elements which provide for:

- income support to people in special circumstances;
- income supplements and/or concessions for people facing certain additional costs;
- increased access to accommodation for low income earners and the homeless through the provision of recurrent and capital funds in conjunction with the States and Territories; and
- emergency relief funds paid through charitable agencies for people who are in financial crisis.

Special Benefit

This item comprises Special Benefit and Disaster Relief Payment. Special Benefit is paid to people who are unable to earn a sufficient livelihood for themselves and their dependants, who are ineligible for any other pension or allowance and who can prove hardship. Disaster Relief Payment is a one-off payment available to victims of declared major disasters.

Other Assistance to Widows

This item comprises the Class B Widow Pension, the Widow Allowance and the Bereavement Allowance. Class B Widow Pension is payable to previously married women who do not have dependent children and who were aged 50 years or more, or were sole parent pensioners aged 45 years or more, at 1 July 1987. Widow Allowance is payable to women 50 years or over who become widowed, divorced or separated after reaching 40, and who have no recent workforce experience. Bereavement Allowance is payable to recently widowed persons who do not have dependent children.

Accommodation Assistance

Accommodation Assistance comprises a number of programmes targeted at those in short-term housing crisis, including programmes to assist those escaping domestic violence. The Supported Accommodation Assistance Programme (SAAP), in conjunction with the States, funds transitional support services for those who are homeless as a result of a crisis.

The Crisis Accommodation Programme (CAP) provides for the purchase, construction, renovation or leasing of dwellings to provide transitional accommodation for SAAP clients. CAP is funded under the Commonwealth-State Housing Agreement (see *7. Housing and Community Amenities)*.

The Emergency Relief Programme provides grants to non-government community welfare agencies for distribution as short-term emergency assistance to people in financial crisis.

Asylum Seeker Assistance

Assistance is provided to destitute onshore refugee applicants awaiting a primary decision from six months after initial lodgement of their application.

Migrant Settlement Support

The Government provides settlement support for migrants including assistance to relevant community organisations for provision of services, on-arrival accommodation, translator and interpreter services, funding for migrant resource centres, maintenance of humanitarian children without parents in Australia and assistance to voluntary agencies under the Community Refugee Settlement Scheme.

Communication Allowances and Postal Concessions

This item includes allowances to assist pensioners with the cost of a telephone connected in their own name or their partner’s name and postal concessions which provide access to free postal services for persons receiving a pension on account of blindness and organisations sending material specifically for such persons.

Other

Included under this heading is compensation to the States and Territories for extension of fringe benefits to pensioners and reimbursement to Great Southern Railway Limited for concessional passenger fares provided to pensioners. Also included are wage 'top-up' payments for apprentices and trainees employed under the new industrial arrangements which provide for the wage to be paid only for productive time. The top-up payments ensure that apprentice and trainee incomes are at guaranteed levels.

6.8 ABORIGINAL ADVANCEMENT PROGRAMMES NEC

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Aboriginal and Torres Strait Islander	$m	889.5	927.5	950.5	976.5	1008.4
Commission	%		4.3	2.5	2.7	3.3
Torres Strait Regional Authority	$m	34.8	40.3	41.6	42.9	39.0
	%		15.8	3.2	3.1	-9.1
Indigenous Land Corporation	$m	48.3	49.7	51.0	52.3	53.6
	%		2.9	2.6	2.5	2.5
Aboriginal Hostels Limited	$m	28.4	28.6	28.9	29.2	29.5
	%		0.7	1.0	1.0	1.0
Aboriginals Benefit Reserve	$m	27.1	33.1	30.1	30.1	30.1
	%		22.1	-9.1	na	na
Australian Institute of Aboriginal and	$m	5.7	6.0	6.0	6.1	6.1
Torres Strait Islander Studies	%		5.3	na	1.7	na
National Native Title Tribunal	$m	21.0	23.8	21.9	22.0	22.3
	%		13.3	-8.0	0.5	1.4
Other	$m	3.1	10.2	23.2	17.3	14.4
	%		229.0	127.5	-25.4	-16.8
TOTAL	$m	1057.9	1119.2	1153.1	1176.4	1203.3
	%		5.8	3.0	2.0	2.3

This subfunction mainly covers programmes funded through a number of indigenous agencies, the largest of which is the Aboriginal and Torres Strait Islander Commission (ATSIC). Many of the programmes are intended to supplement, support or accelerate the delivery of services where prime responsibility rests with other Commonwealth agencies and/or State, Territory and local governments.

For other significant outlays on Aboriginal programmes see *4. Education*, *5. Health, 7. Housing and Community Amenities* and *13B. Labour and Employment Affairs.*

Aboriginal and Torres Strait Islander Affairs Portfolio

The Government has guaranteed that funding for the Aboriginal and Torres Strait Islander Affairs portfolio will be maintained in real terms for the period 1997-98 to 2000-01. ATSIC and the Torres Strait Regional Authority each receive a large part of their funding through a largely discretionary global appropriation. The only major constraint on flexibility is the Government’s requirement that ATSIC maintain average annual allocations for housing and infrastructure at a level at least equivalent in real terms to its 1995-96 allocation. The programmes which are separately appropriated are the Community Development Employment Projects (CDEP) Scheme and Native Title Claims Assistance.

ATSIC's Economic Programme aims to increase the economic empowerment and relative economic status of Aboriginal and Torres Strait Islander peoples by providing opportunities for employment, acquisition of productive assets, income generation and the development of commercial skills.

The major sub-programme is CDEP. Under CDEP, members of indigenous communities agree to forgo their entitlement to unemployment benefits in return for the opportunity to engage in paid employment in community managed projects. The projects are funded for the equivalent of the benefits forgone, plus loadings for administration and capital needs.

Another sub-programme is the Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC). The CDC assists the economic advancement of indigenous Australians by utilising its capital base to facilitate Aboriginal and Torres Strait Islander equity involvement in commercial ventures. In performing its functions the CDC is required to act in accordance with sound business principles and to have regard to the desirability of facilitating indigenous participation in its commercial activities.

ATSIC's Social and Cultural Programme aims to enable Aboriginal and Torres Strait Islander peoples to lead independent and healthy lives with full recognition of their cultural heritage and rights to land. The programme incorporates policies and programmes in the areas of community housing and infrastructure, housing loans, legal services, cultural development and the administration of native title, land rights and heritage protection legislation. (For other Aboriginal housing assistance see *7. Housing and Community Amenities.)*

Torres Strait Regional Authority

The Torres Strait Regional Authority delivers programmes in the Torres Strait region which, prior to 1994-95, were delivered by ATSIC. As with ATSIC, the major activities are community housing and infrastructure projects and CDEP.

Indigenous Land Corporation

The Indigenous Land Corporation (ILC) assists indigenous people to acquire land and to manage and maintain it in a sustainable way in order to provide economic, social and cultural benefits for future generations. The ILC is funded by special appropriation from the Aboriginal and Torres Strait Islander Land Reserve, a reserved moneys fund, administered by ATSIC, to provide a secure and ongoing source of funds to the ILC. The Land Reserve is accumulating by way of annual transfers within the Commonwealth Public Account until 2003-04, after which time the reserve is to be self-sustaining. Moneys of the Land Reserve must be invested in accordance with s39 of the *Financial Management and Accountability Act 1997.*

Aboriginal Hostels Limited

Aboriginal Hostels Limited (AHL) aims to assist Aboriginal and Torres Strait Islander people to satisfy their health, employment, training, education and aged care needs by providing a low-cost, temporary accommodation service through a network of hostels. These hostels may be either owned and operated directly by AHL or funded through grants to other organisations.

Aboriginals Benefit Reserve

The Aboriginals Benefit Reserve is established under the *Aboriginal Land Rights (NT) Act 1976* to receive the equivalent of royalty moneys received from mining operations on Aboriginal land in the Northern Territory. Payments are made from the reserve for the benefit of Aboriginal people directly affected by mining operations, for other

Aboriginal groups in the Northern Territory and to cover the administrative costs of Northern Territory land councils.

Australian Institute of Aboriginal and Torres Strait Islander Studies

The Australian Institute of Aboriginal and Torres Strait Islander Studies is funded to undertake and promote Aboriginal and Torres Strait Islander studies, to conduct and assist relevant research and the publication of results, to maintain a cultural resource collection and to encourage community understanding of Aboriginal and Torres Strait Islander societies.

National Native Title Tribunal

The National Native Title Tribunal is established under the *Native Title Act 1993* to receive, register, accept and notify native title claims, identify parties whose interests may be affected and to mediate between the parties in relation to claims, compensation issues and negotiations over proposed future acts.

Other

Other includes outlays for activities of the Aboriginal Reconciliation Unit within the Department of Prime Minister and Cabinet, and financial assistance to the States, pursuant to the *Native Title Act 1993*, for compensation liabilities and the administration of State native title regimes.

6.9 GENERAL ADMINISTRATION

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Social Security Portfolio	$m	1509.8	1498.9	1304.4	1293.5	1301.5
	%		-0.7	-13.0	-0.8	0.6
Department of Veterans' Affairs	$m	184.2	192.8	175.2	174.9	175.1
	%		4.7	-9.1	-0.2	0.1
Department of Health and Family	$m	149.6	144.6	136.2	136.2	137.0
Services	%		-3.3	-5.8	na	0.6
TOTAL	$m	1843.6	1836.2	1615.8	1604.7	1613.6
	%		-0.4	-12.0	-0.7	0.6

Social Security Portfolio

Most of the outlays under this category are for Centrelink, which began operating from 1 July 1997. Centrelink forms the administrative framework for integrating access to Commonwealth services by consolidating services so that, where possible, people can get the help they need in one place.

Centrelink has become the delivery agency for income support, student assistance, Farm Family Restart and Exceptional Circumstance Relief (formerly Drought Relief) payments as well as a range of services including the registration, assessment and referral functions for people seeking employment and income assessment for people in receipt of child care and aged care subsidies. As from 1 July 1998, Centrelink will also be responsible for the delivery of Childcare Assistance.

Department of Veterans' Affairs

This item comprises general administration costs for the Department of Veterans' Affairs.

Department of Health and Family Services

This item comprises a proportion of the operating costs of the Department of Health and Family Services (HFS). HFS operating costs include funds for the purchase of services from Centrelink and the Health Insurance Commission, for the delivery of Childcare Assistance and the Childcare Cash Rebate. The balance of the operating costs of HFS is classified under *5. Health.*

6.10 RECOVERIES AND REPAYMENTS

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Recoveries and Repayments	$m	-55.0	-66.7	-65.8	-65.8	-65.8
	%		21.3	-1.3	na	na

This item includes payments under the Social Security Agreement between Australia and New Zealand and Miscellaneous Receipts.