



RESEARCH NOTE

Number 15, 2000–01
ISSN 1328-8016

Social Security Recipients, 1970 to 2000

Introduction

In most advanced democracies the modern 'welfare state' developed mainly after World War II, driven by the need to stabilise societies following the ravages and dislocations of the Depression and wars. One of its essential features was a system of social security payments for people in various situations of relative disadvantage, financed either by contributions to a separate social security fund, or, as in Australia's case, from general taxation collections. By 1970 this system had become an integral part of society and the function absorbing the biggest proportion of the Commonwealth government's outlays. Since then the system has continued to grow, driven by the desire for society to remain inclusive following the many demographic changes (e.g. the ageing population), social changes (e.g. family type and composition) and economic changes (e.g. massive increases in unemployment) which have taken place. Thus, the 'safety net' providing assistance to those in need has spread to include new groups of people (i.e. those not in receipt of payments in 1970), e.g. sole parents and low-income families, and to accommodate sometimes massively increased numbers in already existing groups, e.g. the unemployed and age pensioners.

This Research Note tracks the movements in the numbers of people receiving the various income payments and the outlays required to fund these payments from 1970 to the year 2000.

Comparability

The table overleaf has been prepared on the basis of the social security system as it existed on 30 June 2000. By that date much consolidation and streamlining of the system had taken place, mainly

in an attempt to bring all programs and payments under the one portfolio of Family and Community Services (FaCS) or its predecessor Social Security. Hence the names of the payments or programs shown are those as at 30 June 2000. The figures shown for earlier years therefore include those from other portfolios where the programs were administered by FaCS by 30 June 2000. For example, Domiciliary Nursing Care Benefit (DNCB) was previously administered by the Department of Health and Aged Care and became a component of Carer Allowance (which by June 2000 had become the amalgamation of Child Disability Allowance and DNCB).

Recipient numbers

The table overleaf shows that there has been a generally steady increase in the numbers of recipients. The proportion of the total population in receipt of one payment or other has increased from 9.8 per cent in 1970 to a high of 38.1 per cent in 1997 and to 35.8 per cent in June 2000. Recipients of 'Other or additional payments' listed in the table are not included in these figures because most of them receive one or other of the payments listed above. The largest increases have been in 'Family allowances, above minimum rate, number of children', in Age pensions, in unemployed people who receive benefits (see Newstart allowance in the table) and in Disability support pensions.

Among the 'new groups' of recipients over the 30-year period have been students receiving AUSTUDY payments (now Austudy or Youth Allowance), sole parents (now parenting payment—single recipients) and 'parenting payment—partnered' (previously parenting allowance). Without all of the 'new groups' the proportion of the population receiving a benefit would still have been 29.2 per cent

compared to the 35.8 per cent shown in the table for June 2000.

Outlays

The figures shown for outlays are for each financial year ending 30 June of the years shown. They include all expenditures on all of the payments listed plus any other expenditure associated with these payments under the Social Security and Welfare portfolio, such as administration, capital expenditure and subsidies for services.

The table shows that outlays have risen from 28.5 per cent of the total Commonwealth Budget in 1969–70 to a high of 40.0 per cent in 1997–98 and 38.9 per cent in 1999–2000 and from 6.6 per cent of Gross Domestic Product (GDP) in 1969–70 to a high of 9.9 per cent in 1996–97 and 9.4 per cent in 1999–2000. Over the period 1970 to 1997, social security 'contributions' (not total outlays) moved from 5.1 per cent of GDP to 6.1 per cent in the United Kingdom, from 3.0 per cent to 4.9 per cent in Canada and from 4.5 per cent to 7.2 per cent in the United States.

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5 December 2000

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Social Security Recipients: Australia, June 1970 to June 2000

Payment	1970	1980	1985	1990	1995	1997	1998	p1999	p2000
Age pension									
— number ('000)	779.0	1 321.9	1 334.3	1 340.5	1 578.7	1 680.2	1 682.6	1 715.8	1 727.2
— proportion of aged pop. (%)	(a)60.1	76.8	67.2	59.2	62.9	66.3	65.3	66.3	(a)65.7
Disability support pension ('000)	133.8	229.2	259.2	306.7	464.4	527.5	553.3	577.7	601.6
Wife pension ('000)	22.9	91.0	97.8	115.7	161.5	127.9	116.1	100.7	91.2
Carer payment ('000)	—	—	2.7	8.8	20.1	29.6	34.0	40.1	47.5
Sickness allowance ('000)	8.8	40.2	62.0	79.2	47.3	15.8	16.3	11.2	14.1
AUSTUDY/Youth allowance ('000)	—	91.6	106.5	339.1	481.2	471.4	458.0	387.9	407.2
Austudy payment ('000)	—	—	—	—	—	—	—	47.2	43.6
Youth training allowance ('000)	—	—	—	—	21.9	31.9	30.7	—	—
Sheltered employment allowance ('000)	0.7	7.6	10.0	10.1	—	—	—	—	—
Rehabilitation allowance ('000)	—	—	3.4	2.2	—	—	—	—	—
ABSTUDY ('000)	(b)2.7	26.4	29.8	(b)50.0	(b)46.0	(b)50.9	(b)49.8	n.a.	36.7
Newstart allowance ('000)	13.0	309.1	562.3	419.8	800.7	798.0	778.9	661.7	635.9
Mature age allowance ('000)	—	—	—	—	38.9	35.6	50.7	47.0	41.5
Partner allowance ('000)	—	—	—	—	216.7	72.1	77.7	81.8	91.9
Widow allowance ('000)	—	—	—	0.1	8.8	17.5	24.7	27.8	33.2
Special benefit ('000)	3.8	21.1	18.6	27.9	20.9	14.6	10.2	11.8	11.3
Parenting payment, single(c) ('000)	44.1	161.6	246.3	248.9	324.9	358.9	372.3	384.8	396.8
Parenting payment, partnered ('000)	—	—	—	—	—	664.9	645.7	622.3	594.9
Family allowance, above minimum rate, no. of children ('000)	127.1	524.8	854.1	1 148.3	1 671.4	1 821.2	1 799.4	1 770.6	1 790.3
Widow B pension ('000)	42.8	74.9	81.5	78.7	54.9	18.8	13.6	10.5	8.9
Bereavement allowance ('000)	(d)0.1	0.1	0.1	0.2	0.0	0.0	0.1	0.1	0.0
Service pension ('000)	74.4	240.0	392.5	386.3	347.7	328.7	318.6	308.7	297.1
Farm family restart ('000)	—	—	—	—	—	0.0	1.2	1.3	0.3
TOTAL									
— number ('000)	1 253.2	3 139.5	4 061.1	4 562.5	6 306.0	7 065.5	7 033.9	6 809.0	6 871.3
— proportion of total pop. (%)	(a)9.8	21.4	25.7	26.7	34.9	38.1	37.6	36.0	35.8
Other or additional payments(e)—									
Mobility allowance ('000)	—	—	10.9	13.2	22.9	26.6	29.0	31.0	35.2
Allowance for Isolated Children ('000)	—	19.0	19.0	13.0	12.2	11.9	12.0	12.2	12.2
Carer allowance ('000)	—	(f)25.4	(f)29.6	(f)40.2	125.5	151.1	147.1	156.7	194.9
Family allowance, minimum rate, no. of children ('000)	4 079.4	3 699.1	3 469.4	2 524.2	1 814.9	1 669.9	1 619.4	1 670.6	1 572.3
Family tax payment, no. of customers (g) ('000)	(a)936.9	861.0	827.6	832.9	814.9	976.7	919.9	868.1	866.9
Double orphan pension, children ('000)	—	4.0	6.1	2.3	1.7	1.7	1.7	1.6	1.7
Mother's/Guardian's allowance ('000)	n.a.	169.7	254.6	262.9	n.a.	n.a.	416.7	n.a.	n.a.
Maternity allowance(j) ('000)	251.9	—	—	—	—	201.4	218.1	208.9	209.9
Maternity immunisation allowance (j) ('000)	—	—	—	—	—	—	—	1.0	183.2
Child care assistance ('000)	—	—	n.a.	n.a.	260.0	351.0	398.8	646.3	661.2
Rent assistance ('000)	177.5	406.6	514.6	639.9	912.7	1 049.0	978.7	1 026.2	970.0
Exceptional circumstances relief payment ('000)	—	—	—	—	10.2	8.5	3.0	2.3	1.0
TOTAL OUTLAYS(k)									
— amount (\$m.) (a)	2 095	9 600	19 094	28 160	45 781	52 642	54 330	55 531	59 600
— proportion of total budget (%)	28.5	30.3	29.5	31.6	37.1	38.7	40.0	39.4	38.9
— proportion of GDP (%)	6.6	7.8	8.8	7.6	9.7	9.9	9.6	9.3	9.4

(a) Estimate. (b) Annual recipients. (c) Widow A pensioners in 1970, sole parent pensioners until 1997. (d) Widow C pensioners. (e) Recipients of these benefits generally receive one or more of the benefits listed above. (f) Excludes Domiciliary Nursing Care Benefit, figures for which are not available for this period. (g) Dependent spouse with dependent children rebate and/or sole parent rebate recipients prior to 1997. (h) Includes Home Child Care Allowance. (i) Part A recipients. Part B recipients also receive Part A amounts. (j) For the financial year to 30 June as shown. (k) Includes all 'Social Security and Welfare' outlays plus 'tax expenditures' where applicable plus outlays under other portfolios where applicable.

p = preliminary; — = Program did not exist at all; n.a. = Program did exist, maybe under another name, but recipient figures not available.

NB. Where the name of a program/payment has changed, the current title is used in this table.

Source: CentreLink/DSS; ABS; DETYA/DEETYA/Department of Education; Budget Paper No.1/Final Budget Outcome; AFFA/DoPIE; ATO.