

Report summary

For the full report go to:
www.pwc.com.au/industry

What is the “Social Purpose Market”?

This report was written by PricewaterhouseCoopers Australia (PwC) as part of its partnership with The Centre for Social Impact (CSI) to estimate the scale, in financial terms, of the market involved in delivering services for social purpose: those services designed to improve the health and wellbeing of individuals and communities. Australia has a mature range of health, welfare and education programs.

While the scope and definition of the social purpose market is open to debate, for the purposes of this analysis, we developed a pragmatic scope limited to health, welfare (including aged care), education and housing – key policy areas that have traditionally presented major areas of expenditure on the domestic budget of Australia.

Informed by a combined understanding of past investment and a scan of current and emerging issues, a key question is how can Australia extract maximum value from this investment into the future: will the best possible health, social and productivity outcomes be achieved? Understanding current expenditure and the composition of the Social Purpose Market is fundamental to establishing a sound starting point. It is in this context that this project has been undertaken.

Total expenditure on social purposes, and expenditure per capita have continued to increase. While there has been positive progress in outcomes, there remain areas for improvement.

How can Australia extract maximum value from its investment in social purpose services into the future?

Implications

Is Australia well positioned to extract maximum value from its investment in the social purpose market into the future?

Efforts to improve social purpose outcomes are commonly designed to address individual segments within the market, and often underestimate the changing roles of governments, the NFP sector, the for-profit sector, and consumers. The opportunity exists to consider transformative policy choices and reform directions that will yield the substantial productivity improvements Australia needs to be able to provide a sustainable level of social support to its citizens into the future. In the report we explore a set of seven inter-related strategies and emerging priorities for reform of the future of the social purpose market.

Australia’s social purpose market

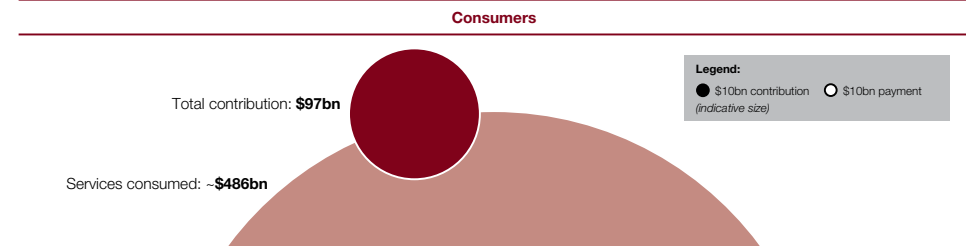
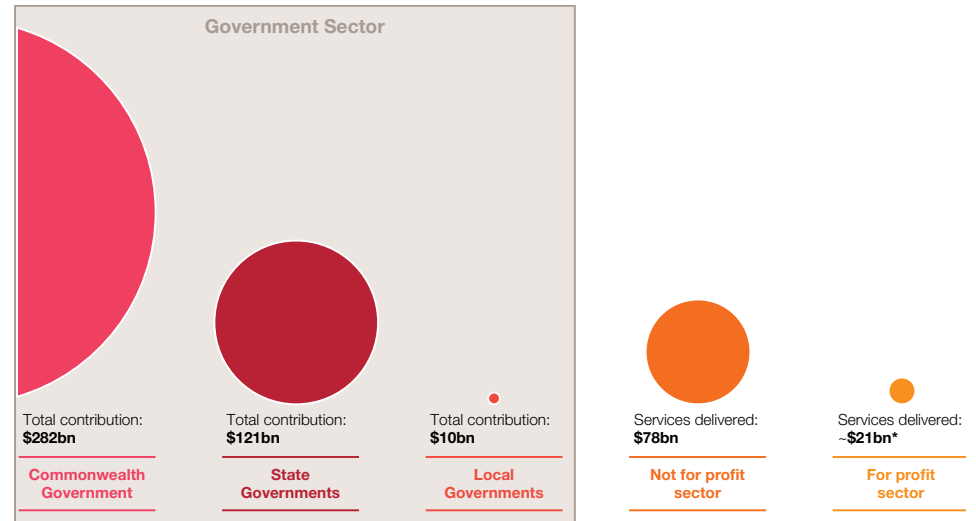
Understanding funding flows and exploring implications

Size of the market

How much is the social purpose market worth?

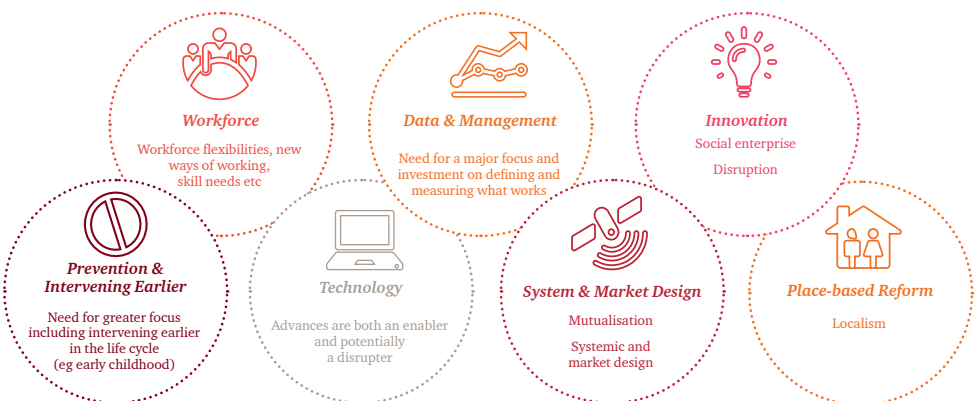
Every year Australia spends more than half a trillion dollars (in excess of \$510 billion) on social purposes – which is almost one third (32 per cent) of Australia’s Gross Domestic Product (GDP). The significant social and economic challenges associated with Australia’s ageing population mean this figure is projected to increase.

These services are provided in an increasingly complex, mixed market where governments (the Commonwealth, states and territories, and local government) contribute significant expenditure, with supplementary expenditure from the for-profit, not-for-profit (NFP) and philanthropic organisations, and individual citizens. Within the social purpose market, services are delivered by all levels of government, NFPs and the for-profit sector.



* estimate is understated due to the lack of data for for-profit organisations

Social Purpose Market Productivity



© 2016 PricewaterhouseCoopers. All rights reserved.

PwC refers to the Australia member firm, and may sometimes refer to the PwC network.

Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

Liability limited by a scheme approved under Professional Standards Legislation.

127037316