

Welfare Services Expenditure

WELFARE SERVICES EXPENDITURE BULLETIN • NUMBER 3 • JULY 1997

Welfare services expenditure 1989–90 to 1995–96

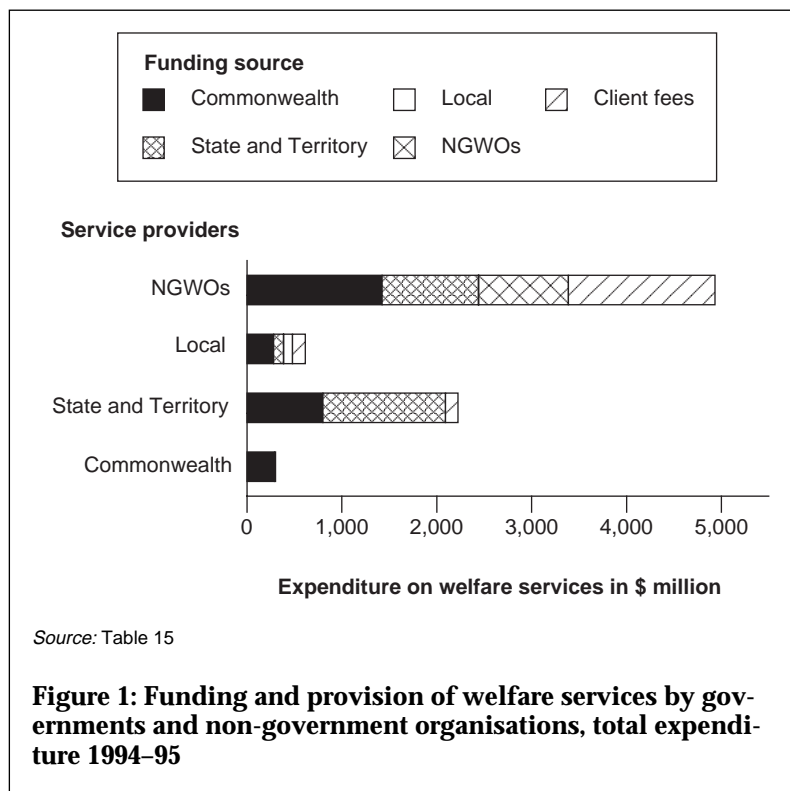
Introduction

This bulletin provides estimates of welfare services expenditure funded by the government sector as well as estimates of the contribution of the non-government sector. The estimates for 1995–96 expenditure are preliminary, specifically the estimates of expenditure by the Commonwealth Government and by the non-government sector. Data for 1995–96 expenditure by State and Territory Governments and local governments are final estimates. The final estimates for all areas of 1995–96 welfare services expenditure will be available in *Australia's Welfare 1997* to be published in November.

Additional features in this issue are estimates of client fees for services provided by the government sector, and total welfare services as a proportion of Gross Domestic Product (GDP).

Total welfare services expenditure as a proportion of GDP has remained at 1.8% from 1992–93 to 1995–96. Total welfare services expenditure in 1995–96 was estimated at \$8.9 billion. Of this amount, 64.9% was funded by the government sector, 24.8% was funded by users of welfare services, and the remaining 10.3% was funded by non-government welfare organisations (NGWOs).

NGWOs are the major providers of welfare services. In 1994–95, total welfare services expenditure funded by both the government and the non-government sectors, including contribution from clients was \$8.1 billion, 61.0% (\$4.9 billion)

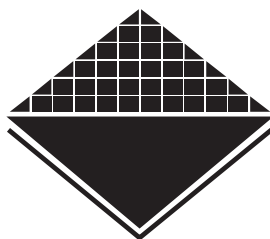


Source: Table 15

Figure 1: Funding and provision of welfare services by governments and non-government organisations, total expenditure 1994–95

of which was delivered by NGWOs. In 1994–95, they contributed \$0.9 billion to welfare services from their own funds (not including client fees). In contrast, the Commonwealth Government is largely a funder of services. It contributed \$2.8 billion of funding

but only provided \$0.3 billion worth of services. State and Territory Governments are both major funders and major providers of services (Figure 1 and Table 15). In this publication, welfare services are defined to encompass three broad categories of services—(a) family and child welfare services, including child care; (b) welfare services for aged persons and persons with a disability—also referred to as ‘aged and disabled welfare services’; and (c) other welfare services (e.g. supported accommodation, prisoner aid and migrant assistance). Income support and long-term housing assistance are not included in the analysis, nor are



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health-related components of aged care services—specifically nursing homes and domiciliary nursing services.

Data on government sector expenditure are presented by area of expenditure and by source of funds. The focus is on the changes in welfare services between 1993–94 and 1994–95. Where the 1995–96 expenditure data for the State and Territory Governments are available, analysis of the change will also cover the period between 1994–95 and 1995–96.

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Note to readers

Comments concerning the contents of this issue, or suggestions concerning future issues, would be very welcome. They may be addressed to:

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Highlights

Welfare services expenditure as a proportion of GDP

- In 1995–96, total welfare services expenditure was \$8.9 billion, and was 1.8% of GDP (Table 16).
- Welfare services expenditure in current prices as a proportion of GDP increased from 1.3% in 1989–90 to 1.8% in 1992–93, after which it remained constant at that level to 1995–96.
- The increase was due partly to the recession and partly to changes in government policy.

Total welfare services expenditure by source of funds

- In 1995–96, the government sector funded 64.9% of total welfare services expenditure; the remaining 35.1% was funded by the non-government sector.
- In 1995–96, the government sector funded \$5.8 billion of welfare services expenditure (Table 3). Of the \$5.8 billion, the Commonwealth Government funded 53.3%, and the State and Territory Governments 43.8%. The remaining 2.9% was funded by local governments.
- A conservative estimate of the funding of welfare services by non-government welfare organisations (NGWOs) operating on a ‘not-for-profit’ basis was \$0.9 billion in 1995–96 (Table 16).
- In 1995–96, clients contributed \$2.2 billion (24.8% of the total value of welfare services) for welfare services provided by governments, NGWOs and child care services provided by the informal sector.

Expenditure per person

- In 1995–96, expenditure by the government sector on welfare services averaged \$318 per person (Table 5).
- Net expenditure per person funded by State and Territory

Governments in 1995–96 ranged from \$72 in Queensland to \$231 in Tasmania, giving a national average of \$134 (Table 9).

Funding purpose

- Most of the welfare services funding by governments was for recurrent purposes. In 1994–95, of the \$5.3 billion total government welfare services outlays, recurrent funding was 94.3% and capital funding 5.7% (Table 3).
- In 1994–95, just over half (52.1%) of the recurrent expenditure was funded by the Commonwealth Government. State and Territory Governments funded 46.7%, and local governments 1.2%.
- In 1994–95, the Commonwealth Government funded 61.9% of total government sector capital outlays, State and Territory Governments 25.2%, and local governments 12.9%.

Service provision

- NGWOs are major providers of welfare services. In 1994–95, they delivered \$4.9 billion worth of welfare services to the community (Table 15).
- In 1994–95, the government sector provided \$3.1 billion worth of services and funded \$5.3 billion.
- The Commonwealth Government is predominantly a funder of services rather than a provider of services. In 1994–95, direct expenditure on the provision of services by the Commonwealth Government was \$292 million, compared with a total funding of \$2.8 billion in the same year.
- The State and Territory Governments are both funders and providers of services. In 1994–95, they funded \$2.4 billion and delivered \$2.2 billion worth of services.
- Local governments are providers of services more than funders of services. In 1994–95, they funded \$98 million and delivered \$617 million worth of services.

- A total of 46.0% of government funds (\$2.4 billion) was transferred to NGWOs, which then delivered welfare services to the community.

Functional areas of recurrent government expenditure

- In 1994–95, services for the aged and people with a disability accounted for 57.8% of recurrent outlays on welfare services by the Commonwealth and the State and Territory Governments. Family and child welfare services accounted for 31.8%, while other welfare services accounted for 10.4% (Table 6).
- In 1994–95, well over half (60.8%) of the Commonwealth's recurrent outlays on welfare services were allocated to services for the aged and people with a disability. A further 30.5% was allocated to family and child welfare services (mainly child care services). The remaining 8.7% went to other welfare services.
- State and Territory Governments also provided about half (54.5% in 1994–95) of their funds to welfare services for the aged and people with a disability. A further 33.2% was for family and child welfare services (mainly child welfare services). The remaining 12.3% was for other welfare services.
- Between 1992–93 and 1995–96, the average proportion of government sector welfare outlays allocated to aged and disabled welfare services ranged from 38.8% in the Northern Territory to 68.7% in Tasmania (Figure 6 and Appendix 3).
- The differences in demographic structure and policy emphasis between each State and Territory contributed to the variation in the proportion of expenditure for each type of expenditure.

Changes in welfare service expenditure by governments: 1989–90 to 1995–96

- Total government sector welfare services expenditure in constant prices (i.e. expenditure from which the effects of inflation have been removed) rose at an average annual rate of 9.0% from 1989–90 to 1995–96, giving a total increase of 64.0% for this six-year period (Table 2).
- Welfare services expenditure per person (\$318 in 1995–96) by the government sector rose at an average annual rate of 7.3% in constant prices between 1989–90 and 1995–96, giving a total increase of 52.9% (Table 5).
- The Commonwealth Government's share of government sector welfare services expenditure rose from 39.0% in 1989–90 to 53.3% in 1995–96, while that of the State and Territory Governments fell from 59.9% to 43.8% (Table 3).
- In constant prices, the contribution of the Commonwealth Government to the funding of State and Territory welfare services more than doubled in all States and Territories between 1989–90 and 1995–96, and in some (i.e. in Queensland, South Australia and Tasmania) more than tripled. The highest rate of growth in per person transfers by the Commonwealth was in Queensland, from \$10 per person in 1989–90 to \$43 in 1995–96. Northern Territory experienced the lowest growth, from \$21 per person in 1989–90 to \$44 in 1995–96 (Tables 11 and 12).
- For all States and Territories, the increase was mainly in welfare services for the aged and people with a disability. The Commonwealth specific purpose grants to Queensland for disability services increased from \$3.6 million in 1989–90 to \$68.7 million in 1995–96.

Government expenditure on welfare services

Total government outlays by purpose

In 1995–96, outlays by all levels of governments in Australia for all purposes totalled \$175 billion (ABS 1997a). Government outlays for income support were \$42.6 billion, for health \$27.2 billion, for education \$23.8 billion, and for defence \$9.4 billion as compared with outlays on welfare services of \$5.8 billion. In terms of proportions of outlays, social security accounted for 24.4% of total outlays, followed by health (15.6%) and education (13.6%).

Between 1989–90 and 1995–96, outlays on welfare services in current prices rose from \$3.0 billion in 1989–90 to \$5.8 billion in 1995–96, representing a rise of 90.4% over this six-year period. This increase was greater than for most other major purposes. Welfare services as a proportion of total government outlays increased from 2.1% in 1989–90 to 3.3% in 1995–96 (Table 1 and Figure 2).

Between 1989–90 and 1995–96, total government sector outlays in current prices grew at an average annual rate of 3.6% (Table 1). Among the six selected purposes (Figure 2), welfare services had the highest growth of 11.3%, followed by social security benefits (9.9%), health (6.3%), education (5.5%), defence (3.3%), and housing and community amenities (0.4%). In real terms (i.e. after adjusting for inflation), total government sector outlays grew only at 1.0% and welfare services at 8.6%. Housing and community amenities recorded a decline of 2.1% per year.

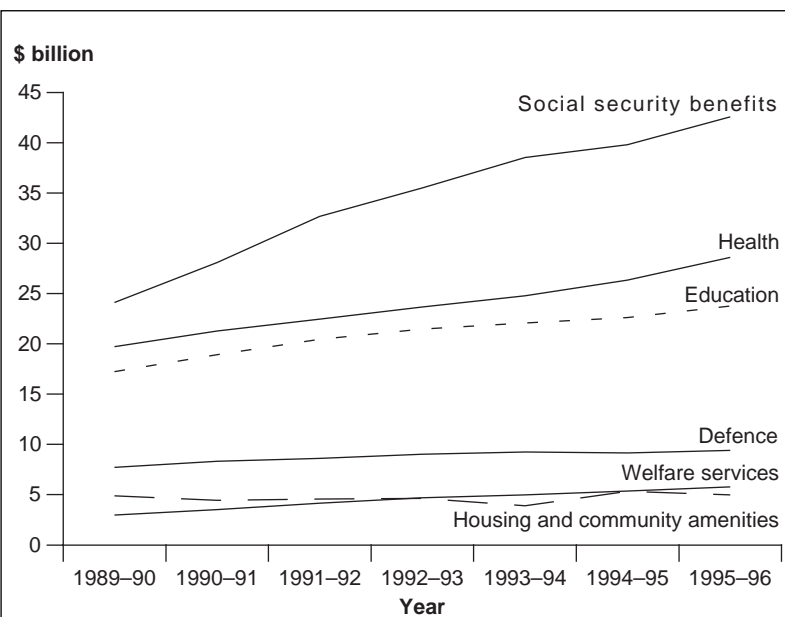
Growth, in constant prices, of the government sector expenditure on welfare services was lowest (3.1%) between 1992–93 and 1993–94 (Table 2) in the six-year period 1989–90 to 1995–96. This was caused by the combined effect of a fall in the level of capital outlays (a 24.3% decline) and a relatively low

Table 1: Total government outlays by purpose, 1989–90 to 1995–96 (\$ million)

	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96
General public services							
Amount	10,032	11,581	14,675	13,287	13,824	13,764	12,270
Proportion of total	7.1%	7.7%	9.2%	8.1%	8.4%	7.8%	7.0%
Defence							
Amount	7,734	8,326	8,607	9,010	9,237	9,147	9,394
Proportion of total	5.5%	5.5%	5.4%	5.5%	5.6%	5.2%	5.4%
Public order and safety							
Amount	5,030	5,347	5,630	5,641	5,798	6,224	6,745
Proportion of total	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%	3.9%
Education							
Amount	17,226	18,950	20,453	21,491	22,086	22,635	23,778
Proportion of total	12.2%	12.6%	12.8%	13.1%	13.4%	12.8%	13.6%
Health							
Amount	18,838	20,240	21,302	22,447	23,404	25,013	27,168
Proportion of total	13.3%	13.4%	13.3%	13.7%	14.2%	14.2%	15.6%
Social security and welfare							
Social security benefits							
Amount	24,126	28,106	32,660	35,513	38,554	39,815	42,575
Proportion of total	17.1%	18.6%	20.4%	21.7%	23.3%	22.5%	24.4%
Welfare services							
Amount	3,037	3,568	4,203	4,733	4,938	5,307	5,784
Proportion of total	2.1%	2.4%	2.6%	2.9%	3.0%	3.0%	3.3%
Other social security and welfare							
Amount	1,063	1,210	1,453	1,338	1,429	1,499	1,562
Proportion of total	0.8%	0.8%	0.9%	0.8%	0.9%	0.8%	0.9%
Housing and community amenities							
Amount	4,876	4,591	4,577	4,629	3,884	5,286	4,995
Proportion of total	3.4%	3.0%	2.9%	2.8%	2.4%	3.0%	2.9%
Recreation and culture							
Amount	3,587	3,669	3,856	4,002	3,929	3,473	4,734
Proportion of total	2.5%	2.4%	2.4%	2.4%	2.4%	2.0%	2.7%
Fuel and energy							
Amount	3,334	3,219	3,370	2,620	1,681	3,359	-7,479
Proportion of total	2.4%	2.1%	2.1%	1.6%	1.0%	1.9%	-4.3%
Agriculture, forestry, fishing and hunting							
Amount	5,852	5,072	2,742	3,435	2,443	2,105	3,193
Proportion of total	4.1%	3.4%	1.7%	2.1%	1.5%	1.2%	1.8%
Mining, manufacturing, construction etc.							
Amount	1,115	883	897	728	549	539	759
Proportion of total	0.8%	0.6%	0.6%	0.4%	0.3%	0.3%	0.4%
Transport and communication							
Amount	14,287	13,685	13,039	13,213	11,755	14,220	13,594
Proportion of total	10.1%	9.1%	8.1%	8.1%	7.1%	8.1%	7.8%
Other economic affairs							
Amount	2,607	3,012	3,716	4,801	4,864	5,136	5,527
Proportion of total	1.8%	2.0%	2.3%	2.9%	2.9%	2.9%	3.2%
Other purposes ^(a)							
Amount	18,700	19,309	18,847	16,592	16,759	19,088	19,975
Proportion of total	13.2%	12.8%	11.8%	10.1%	10.1%	10.8%	11.4%
Total	141,444	150,768	160,027	163,480	165,134	176,610	174,574

(a) ABS number for 'other purposes' adjusted to allow for difference between AIHW estimate of welfare services and ABS estimate. Other purposes include public debt transactions, general purpose inter-government transactions, natural disaster relief, and other purposes n.e.c.

Sources: AIHW estimate for health and welfare services expenditure; ABS 1997a



Note: Except for health and welfare services outlays, data are from the Australian Bureau of Statistics.

Source: Table 1

Figure 2: Government sector outlays in current prices by selected purposes

growth rate in that year for recurrent expenditure of 5.7%.

Recurrent and capital expenditure

Expenditures are classified as either recurrent expenditure (i.e. expenditure to meet the operating costs of providing services), or capital outlays (i.e. outlays in relation to buildings and capital equipment). The bulk (92.0%) of government sector welfare services expenditure over the period 1989-90 to 1994-95 was directed to recurrent purposes. Recurrent expenditure rose, in constant prices, at an average annual rate of 10.1% during the period 1989-90 to 1994-95. However, growth rates varied for each of the different levels of government.

Recurrent expenditure by the Commonwealth Government rose at an average of 18.9% per year, while State and Territory Governments rose at 3.4%, and local governments at 20.1%.

The ABS has revised its estimate of outlays by local governments, particularly for 1993-94. In the

previous issue of this bulletin, negative net expenditure by local governments for 1993-94 was interpreted as either a miscoding or as money received in 1993-94 but not all spent in that year. The revised estimates of local government outlays for 1993-94 showed a positive net expenditure of \$51.3 million in 1993-94. This outlay increased to \$97.7 million in 1994-95 and to \$165 million in 1995-96.

The net contribution by local government authorities to the total funding of welfare services remained low. The funding of recurrent expenditure by local governments accounted, on average, for 0.7% of total government sector recurrent expenditure from 1989-90 to 1994-95.

From 1989-90 to 1994-95, capital outlays accounted for 8.0% of total government sector expenditure on welfare services. In the period 1989-90 to 1994-95, annual outlays for capital purposes increased from \$309.7 million in 1989-90 to \$416.2 million in 1992-93, after

which it gradually declined to \$303.7 million in 1994-95.

Over the whole period, government sector capital outlays, in constant prices, fell by 2.9%—from \$309.7 million in 1989-90 to \$267.2 million in 1994-95. This fall was largely attributable to the 5.4% decline, over the period, in Commonwealth Government capital outlays. Local governments, on the other hand, almost tripled their capital outlays, from \$13.7 million in 1989-90 to \$34.4 million in 1994-95.

Government sector welfare services expenditure by source of funds

Over the whole period from 1989-90 to 1995-96, 49.8% of total government sector funding for welfare services was provided by State and Territory Governments. The Commonwealth Government funded 48.8%, while local governments funded 1.4% of expenditure. The share of the Commonwealth Government total outlays increased from 39.0% in 1989-90 to 53.3% in 1995-96, while that of the State and Territory Governments fell from 59.9% in 1989-90 to 43.8% in 1995-96 (Table 3 and Figure 3). Contribution by local government remained low, but increased slightly to 2.9% in 1995-96.

The share of government sector recurrent expenditure funded by the Commonwealth Government rose steadily, from 35.4% in 1989-90 to 52.1% in 1994-95. At the same time, the share of the State and Territory Governments fell from 63.8% in 1989-90 to 46.7% in 1994-95. A large proportion of the increase in Commonwealth government funding, particularly since 1991-92, was due to increased child care assistance.

The Commonwealth Government's share of government sector capital expenditure fluctuated, but declined over time. The Commonwealth Government's share was high (i.e. over 70.0% in 1989-90 and 1991-92)

Table 2: Welfare services outlays in constant (average 1989–90 prices)^(a) by governments by source of funds, Australia, 1989–90 to 1995–96 (\$'000)

	Commonwealth government outlays	State and Territory government outlays net of Commonwealth transfers ^(a)	Local government outlays net of Commonwealth and Territory transfers	Total government sector outlays
Recurrent expenditure				
1989–90	965,395	1,741,511	20,695	2,727,601
1990–91	1,254,481	1,807,630	40,238	3,102,349
1991–92	1,536,395	1,914,722	13,738	3,464,855
1992–93	1,796,859	2,026,370	8,849	3,832,078
1993–94	2,085,737	1,942,716	21,511	4,049,963
1994–95	2,294,736	2,056,655	51,646	4,403,037
1995–96	na	2,090,498	114,087	na
Capital expenditure				
1989–90	218,392	77,588	13,711	309,691
1990–91	192,112	88,579	8,053	288,744
1991–92	273,765	92,110	4,770	370,645
1992–93	210,138	142,842	16,509	369,489
1993–94	165,222	91,230	23,432	279,883
1994–95	165,496	67,368	34,358	267,222
1995–96	na	91,894	27,953	na
Total				
1989–90	1,183,787	1,819,099	34,406	3,037,292
1990–91	1,446,593	1,896,209	48,291	3,391,094
1991–92	1,810,160	2,006,832	18,509	3,835,501
1992–93	2,006,997	2,169,213	25,357	4,201,567
1993–94	2,250,959	2,033,945	44,943	4,329,846
1994–95	2,460,232	2,124,022	86,004	4,670,259
1995–96	2,657,192	2,182,392	142,119	4,981,703
Average annual growth rate (%)	14.4	3.1	26.7	8.6

(a) Since this is general government expenditure only, the Government Final Consumption Expenditure (GFCE) deflator is used rather than the Consumer Price Index to calculate constant prices.

Sources: Commonwealth direct outlays: DCSH 1990, DHHS 1991 and 1992, DHHLGCS 1993a, DSHS 1994 and 1995, DHFS 1996, DHRD 1994, Department of Immigration and Ethnic Affairs unpublished data, and Department of Veterans' Affairs unpublished data; State outlays: Commonwealth Grants Commission; Local government outlays, Commonwealth capital outlays: estimated by AIHW; Local government capital outlays: ABS unpublished data; State capital outlays net of Commonwealth transfer payments: estimated by AIHW based on ABS data; Deflators: ABS 1997b

but fell to 61.9% in 1994–95. The proportion funded by State and Territory Governments also fluctuated over the six-year period. It increased slightly from 25.1% in 1989–90 to 25.2% in 1994–95.

Capital outlays by local governments were more volatile than those by the other levels of government. Local governments increased their contribution

substantially over the last three years of the period, from 1.3% in 1991–92 to 8.4% in 1993–94 and then to 12.9% in 1994–95.

Direct expenditure on welfare services by the Commonwealth Government accounted for only 11.4% of its outlays on welfare services over the period (Table 4). The rest (88.6%) was in the form of transfers to other levels of

government and to NGWOs. Of these Commonwealth transfers, 58.6% went directly to the NGWOs, 29.0% to State and Territory Governments, and 12.4% to local governments (Table 4). The State and Territory Governments transfer some of the money received from the Commonwealth Government to local governments and NGWOs. Likewise, some of the transfers

Table 3: Welfare services outlays in current prices by governments by source of funds, Australia, 1989–90 to 1995–96 (\$'000)

	Commonwealth government outlays	State and Territory government outlays net of Commonwealth transfers ^(a)	Local government outlays net of Commonwealth and State and Territory transfers	Total government sector outlays
Recurrent expenditure				
1989–90	965,395	1,741,511	20,695	2,727,601
1990–91	1,320,014	1,902,060	42,340	3,264,414
1991–92	1,683,423	2,097,955	15,053	3,796,431
1992–93	2,023,934	2,282,449	9,967	4,316,350
1993–94	2,378,502	2,215,405	24,530	4,618,437
1994–95	2,607,783	2,337,223	58,692	5,003,698
1995–96	na	2,427,068	132,455	na
Capital expenditure				
1989–90	218,392	77,588	13,711	309,691
1990–91	202,148	93,206	8,474	303,828
1991–92	299,963	100,925	5,227	406,115
1992–93	236,694	160,894	18,595	416,183
1993–94	188,413	104,035	26,721	319,169
1994–95	188,073	76,558	39,045	303,676
1995–96	na	106,689	32,453	na
Total				
1989–90	1,183,787	1,819,099	34,406	3,037,292
1990–91	1,522,162	1,995,266	50,814	3,568,243
1991–92	1,983,386	2,198,880	20,280	4,202,546
1992–93	2,260,628	2,443,343	28,562	4,732,532
1993–94	2,566,915	2,319,440	51,251	4,937,606
1994–95	2,795,856	2,413,781	97,737	5,307,374
1995–96	3,085,000	2,533,757	165,000	5,783,757
Average annual growth rate (%)	17.3	5.7	29.9	11.3

(a) State and Territory government outlays include transfers to local governments and non-government organisations.

Sources: Commonwealth direct outlays: DCSH 1990, DHHCS 1991 and 1992, DHHLGCS 1993a, DSHS 1994 and 1995, DHFS 1996, DHRD 1994, Department of Immigration and Ethnic Affairs unpublished data, and Department of Veterans' Affairs unpublished data; State outlays: Commonwealth Grants Commission; Local government outlays, Commonwealth capital outlays: estimated by AIHW; Local government capital outlays: ABS unpublished data; State capital outlays net of Commonwealth transfer payments: estimated by AIHW based on ABS data

from the Commonwealth Government to local governments are passed on to NGWOs. It is not possible to obtain information on the magnitude and value of these 'on-passed' transactions. In addition, State and Territory Governments and local governments fund NGWOs out of their own resources. Thus, NGWOs' revenue from governments is larger than is shown in the statistics here.

These data emphasise the extent to which the Commonwealth Government, in the area of welfare services, is predominantly a funder of services, rather than a provider of services. The relative importance of the NGWOs as a provider of services also emerges.

Between 1989–90 and 1994–95, most of the Commonwealth's transfers for recurrent purposes went directly to the NGWOs. For every \$1.00 of the Commonwealth government recurrent transfers,

NGWOs received \$0.57, State and Territory Governments \$0.30, and local government \$0.13. In the case of funding for capital purposes, for every \$1.00 of the Commonwealth government capital funding, NGWOs received \$0.74, State and Territory Governments \$0.21 and local governments \$0.05. The findings on capital funding in this issue of the bulletin differ from those in the previous issue as better information on capital grants was available.

Components of increase in welfare services expenditure

The recent increase in welfare services expenditure can be analysed in terms of population growth, inflation and real expenditure per person. Real increase in expenditure per person is indicative of increases in service use per person. The increases are due to the effects of changes in age structure; changes in composition of services and their associated costs; changes in eligibility for, accessibility of, or supply of services; and other policy changes. The various components of the increase in welfare services expenditure for the period 1989-90 to 1995-96 are displayed in Figure 4.

Over the whole period, total government sector welfare services expenditure in current prices rose by 90.4% (Table 3). The most important component of the increase in welfare services expenditure was the increase in real expenditure per person. Of the total increase, 68.1% was due to an increase in real expenditure per person, 21.5% was due to inflation, and the remaining 10.4% was due to population growth.

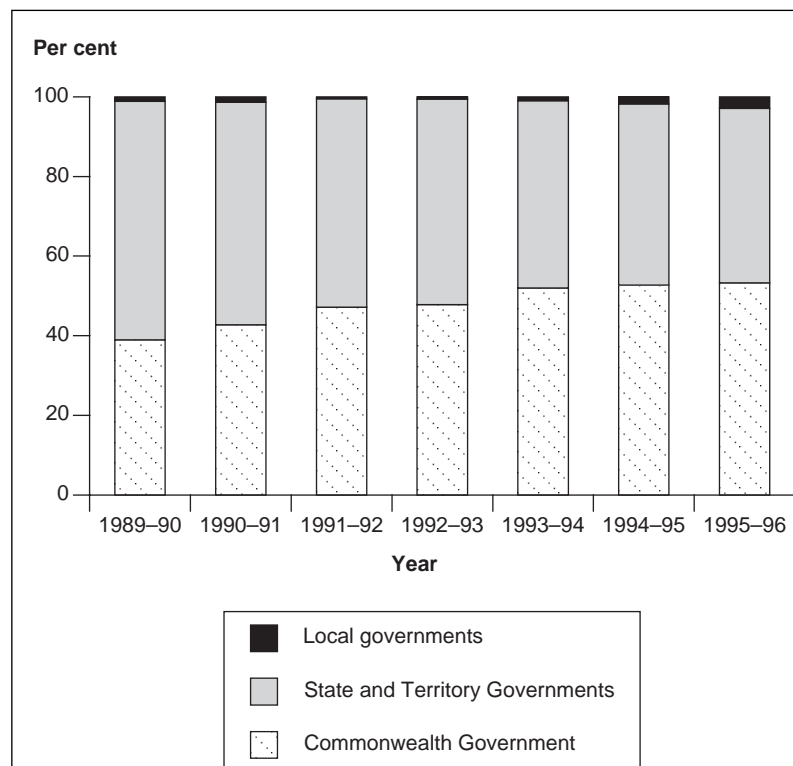
The growth in real expenditure per person varies to a certain extent with economic conditions. The onset of the recession in June 1990 led to an increased demand for welfare services. At the same time, there were changes in Commonwealth government policies on child care and welfare services for aged persons. These, together, brought about a higher increase in expenditure, especially in the period 1990-91 to 1992-93.

The rate of growth in government welfare services expenditure per person, in constant prices, rose by 52.9%, or an annual average rate of 7.3%. The annual growth rate fluctuated over the period. It was over 10.0% between 1989-90 and 1991-92, then dropped slightly to 8.4% in 1992-93. Growth rate was at its lowest between 1992-93 and 1993-94 (2.0%), increased again to

6.7% in 1994-95, but dropped to 5.3% in 1995-96 (Table 5).

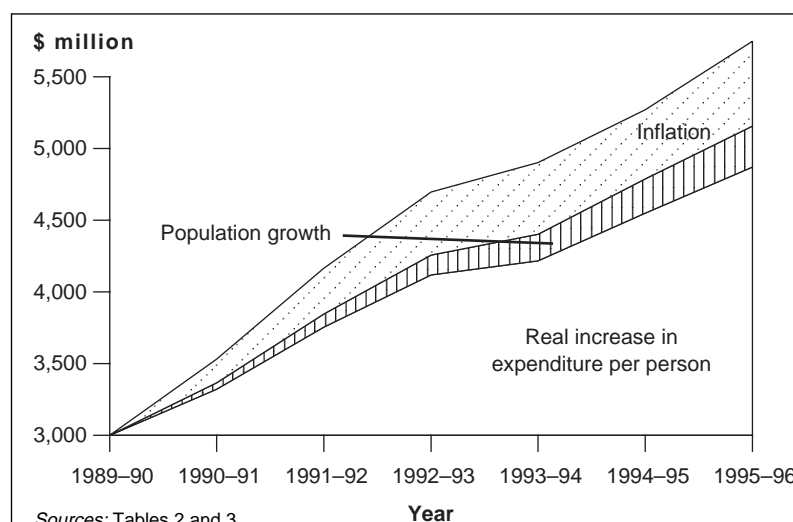
The increase between 1993-94 and 1994-95 was in a number of areas of expenditure by both the Commonwealth Government and

State and Territory Governments. The next section provides details of changes in the three categories of welfare services expenditure by the Commonwealth and the State and Territory Governments.



Source: Table 2

Figure 3: Proportion of government sector welfare services expenditure by source of funds, 1989-90 to 1995-96



Sources: Tables 2 and 3

Figure 4: Sources of growth in government sector welfare services expenditure, 1989-90 to 1995-96

Table 4: Commonwealth expenditure and transfer payments in current prices, 1989–90 to 1994–95 (\$'000)

	Commonwealth government direct expenditure	Recipients of Commonwealth transfer payments			Total Commonwealth Government outlays
		State and Territory Governments	Local governments	Non-government organisations ^(a)	
Recurrent expenditure					
1989–90	114,748	257,391	142,496	450,760	965,395
1990–91	168,933	292,595	148,668	709,818	1,320,014
1991–92	226,866	336,402	208,842	911,313	1,683,423
1992–93	263,319	517,355	243,498	999,762	2,023,934
1993–94	272,805	742,026	266,367	1,097,304	2,378,502
1994–95	291,186	752,797	276,142	1,287,659	2,607,783
Capital expenditure					
1989–90	22,935	63,516	11,383	120,558	218,392
1990–91	8,056	50,697	10,433	132,962	202,148
1991–92	28,205	52,041	15,534	204,183	299,963
1992–93	543	11,929	16,846	207,376	236,694
1993–94	3,179	39,498	6,125	139,611	188,413
1994–95	662	46,285	4,977	136,149	188,073
Total					
1989–90	137,683	320,907	153,879	571,318	1,183,787
1990–91	176,989	343,292	159,101	842,780	1,522,162
1991–92	255,071	388,443	224,376	1,115,497	1,983,386
1992–93	263,862	529,284	260,344	1,207,138	2,260,628
1993–94	275,984	781,524	272,492	1,236,914	2,566,915
1994–95	291,847	799,082	281,119	1,423,808	2,795,856

(a) Non-government organisations include for-profit organisations and not-for-profit organisations.

Sources: Commonwealth direct outlays: Table 2; Transfer payments to State and local governments: Commonwealth financial relations with other levels of government, various years, Budget Paper No. 3 or No. 4; Transfer payments to NGWOs; Unpublished DSHS data

Table 5: Per person government sector outlays on welfare services, 1989–90 to 1995–96 in current and constant (average 1989–90) prices (\$)

	Amount (\$)		Rate of growth (%)	
	Current prices	1989–90 prices	Current prices	1989–90 prices
1989–90	179	179
1990–91	208	197	15.9	10.1
1991–92	242	221	16.3	11.7
1992–93	269	239	11.4	8.4
1993–94	278	244	3.3	2.0
1994–95	296	260	6.4	6.7
1995–96	318	274	7.6	5.3
Average annual growth			10.0	7.3

Sources: Government outlays: Table 3; Population: ABS 1997c

Major categories of recurrent welfare services expenditure by Commonwealth and State and Territory Governments

This subsection, on the purposes of expenditure, covers only recurrent expenditure by the Commonwealth Government, and the State and Territory Governments.

Expenditures on nursing home care or domiciliary nursing care are not included here as the ABS classify these expenditures as health expenditure. Problems of data reliability do not allow analysis of capital expenditure nor do they allow analysis of local government expenditure.

Over the period 1989–90 to 1994–95, about 60.0% of government sector recurrent expenditure on welfare services by the Commonwealth and States and Territories combined was directed to services for older people, and younger people with a disability. Family and child welfare services accounted for 29.7%, and other welfare services for 10.4% (Table 6).

Growth was high in the family and child welfare services category between 1990–91 and 1991–92 (74.4%) owing to an increase in the Commonwealth Government's contribution in the child care area. (This can be seen by the steeper slope of the line representing Commonwealth Government's family and child expenditure in Figure 5.) State and Territory Governments, however, contributed more on family and child welfare services. Growth in the Commonwealth Government's aged and disabled welfare services expenditure was consistently higher than that of the State and Territory Governments. Before 1993–94, the State and Territory Governments' contribution to welfare services for the aged and people with a disability was greater than that of the Commonwealth Government. Since 1993–94, it has been the opposite case. Growth in the other welfare services category was relatively lower than in the

other two categories over the six-year period, with a higher contribution by the State and Territory Governments than by the Commonwealth Government.

Since details of changes over the period from 1988–89 to 1993–94 can be obtained from *Welfare Services Expenditure Bulletin No. 2*, the section below focuses only on changes in welfare services expenditure by the Commonwealth Government between 1993–94 and 1994–95. There is a separate section detailing changes at the State and Territory level following this section.

Family and child welfare services

During the period before 1994–95, the increase in the Commonwealth Government expenditure on family and child welfare services was due to:

- the expansion in the number of Commonwealth-funded child care places;
- an increasing proportion of Commonwealth transfer

payments for family and child welfare services to NGOs, particularly family day care and those providing outside school hours child care and centre-based long-day child care (AIHW 1995, p. 123);

- the extension of child care assistance to users of private-for-profit and employer-sponsored long-day care centres (AIHW 1995, p. 367);
- a substantial increase in Commonwealth payments to family day care coordinating organisations and to providers of outside school hours care; and
- the policy on equity of access to care. Through Supplementary Service Program grants, long-day child care providers are given money to employ specialised staff to assist children with disabilities and children who have difficulties in integrating with others due to language and cultural differences (AIHW 1995, p. 141).

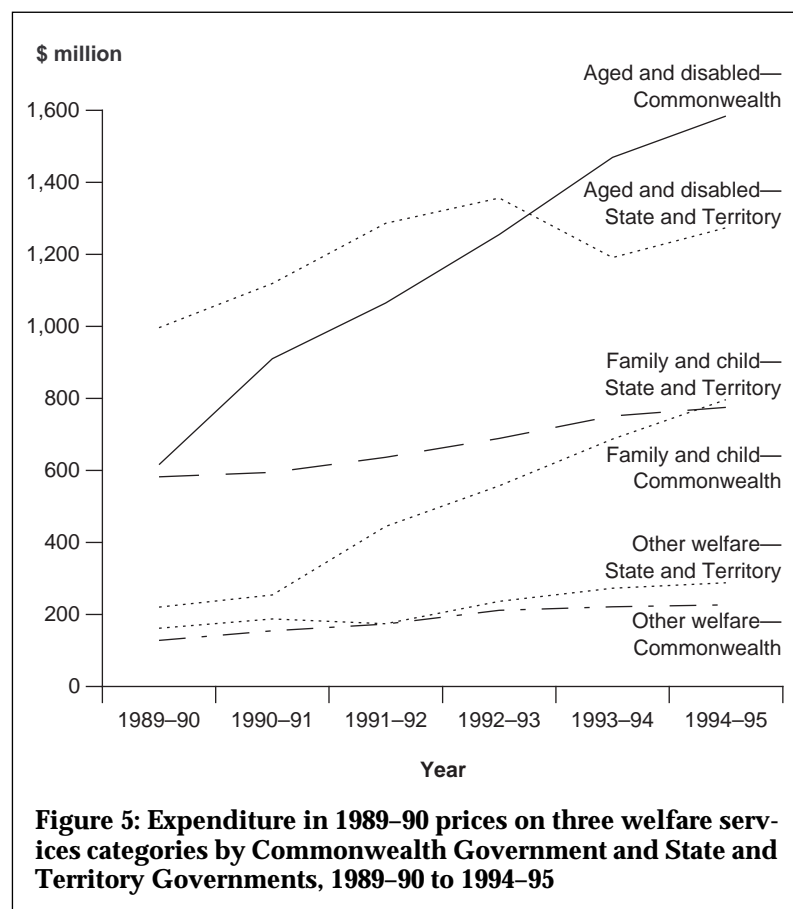


Figure 5: Expenditure in 1989-90 prices on three welfare services categories by Commonwealth Government and State and Territory Governments, 1989-90 to 1994-95

Table 6: Commonwealth, State and Territory Government recurrent outlays on welfare services in current prices, 1989–90 to 1994–95 (%)

	Recipients of Commonwealth transfer payments				Total Commonwealth outlays	State expenditure net of Commonwealth transfers	Total Commonwealth and State and Territory outlays
	Commonwealth government direct outlays	State and Territory Governments	Local governments	Non-government organisations ^(a)			
Family and child welfare services							
1989–90	11.9	5.8	55.5	25.0	22.8	33.5	29.7
1990–91	10.4	5.4	51.2	20.4	19.3	31.3	26.4
1991–92	9.3	7.4	59.8	30.1	26.4	30.3	28.6
1992–93	8.4	5.4	62.7	35.5	27.6	30.2	28.9
1993–94	8.8	3.6	62.6	42.9	28.9	33.9	31.3
1994–95	9.5	3.8	64.2	43.7	30.5	33.2	31.8
6-year average ^(b)	9.4	4.8	60.4	35.2	27.0	32.0	29.7
Aged and disabled welfare services							
1989–90	64.8	65.0	41.3	70.0	63.9	57.2	59.6
1990–91	66.9	65.1	47.9	75.5	69.0	68.8	63.0
1991–92	67.8	64.1	39.7	67.2	63.3	61.3	62.2
1992–93	63.7	75.2	36.5	60.9	62.0	59.4	60.6
1993–94	68.6	82.2	36.7	52.3	61.8	53.8	57.9
1994–95	64.7	84.6	35.2	51.4	60.8	54.5	57.8
6-year average ^(b)	66.1	76.2	38.6	60.7	62.8	57.4	60.0
Other welfare services							
1989–90	23.3	29.1	3.1	5.0	13.3	9.3	10.7
1990–91	22.7	29.5	0.9	4.1	11.8	9.9	10.7
1991–92	23.0	28.5	0.5	2.7	10.3	8.3	9.2
1992–93	27.9	19.4	0.8	3.6	10.4	10.4	10.4
1993–94	22.6	14.2	0.7	4.8	9.3	12.3	10.8
1994–95	25.8	11.6	0.6	4.9	8.7	12.3	10.4
6-year average ^(b)	24.5	19.0	1.0	4.2	10.2	10.5	10.4

(a) The term 'non-government welfare organisations' includes for-profit and not-for-profit non-government organisations.

(b) 6-year average annual growth rates are calculated using exponential growth.

Source: Table 4

Between 1993–94 and 1994–95, more than 27,800 child care places were established.

Aged and disabled welfare services

Most of the Commonwealth Government's expenditure (87.2%) was in the form of transfers to other levels of government and to NGWOs. Of the total Commonwealth Government's

transfers during the period 1989–90 to 1994–95, 36.7% went to the State and Territory Governments, 8.3% to local governments, and 55.0% to NGWOs.

Some of the increase in expenditure by the Commonwealth Government during the period was due to:

- the rearrangement of functions between the States and the

Commonwealth under the 1991 Commonwealth–State Disability Agreement (CSDA);

- the expansion of the Home and Community Care (HACC) Program for aged persons and people with a disability; and
- funding by the Commonwealth Government to the State and Territory Governments for fringe benefits such as

Table 7: Commonwealth, State and Territory Government recurrent outlays on welfare services in constant (average 1989–90) prices, 1989–90 to 1994–95 (\$'000)

	Recipients of Commonwealth transfer payments				Total Commonwealth outlays	State expenditure net of Commonwealth transfers	Total Commonwealth and State and Territory outlays
	Commonwealth government direct outlays	State and Territory Governments	Local governments	Non-government organisations ^(a)			
Family and child welfare services							
1989–90	13,643	14,994	79,123	112,669	220,429	582,812	803,241
1990–91	16,656	14,964	72,364	137,743	241,728	565,338	807,066
1991–92	19,214	22,851	113,995	250,066	406,127	580,710	986,837
1992–93	19,714	24,867	135,615	314,854	495,049	611,735	1,106,784
1993–94	21,119	23,259	146,117	412,610	603,105	658,591	1,261,696
1994–95	24,400	25,248	155,998	495,120	700,766	682,319	1,383,085
6-year average ^(b)	12.3%	11.0%	14.5%	34.5%	26.0%	3.2%	11.5%
Aged and disabled welfare services							
1989–90	74,358	167,425	58,912	315,719	616,414	996,571	1,612,985
1990–91	107,376	181,005	67,630	509,155	865,167	1,063,601	1,928,768
1991–92	140,317	196,700	75,639	559,180	971,836	1,174,494	2,146,329
1992–93	148,891	345,543	78,906	540,773	1,114,113	1,204,216	2,318,328
1993–94	164,129	535,031	85,762	503,562	1,288,483	1,044,615	2,333,098
1994–95	165,736	560,152	85,619	582,564	1,394,071	1,120,928	2,514,999
6-year average ^(b)	17.4%	27.3%	7.8%	13.0%	17.7%	2.4%	9.3%
Other welfare services							
1989–90	26,747	74,972	4,461	22,372	128,552	162,128	290,680
1990–91	36,514	82,099	1,293	27,680	147,586	178,691	326,278
1991–92	47,521	87,469	968	22,474	158,432	159,519	317,951
1992–93	65,171	88,901	1,658	31,967	187,697	210,420	398,117
1993–94	53,979	92,401	1,701	46,067	194,149	239,510	433,659
1994–95	66,095	77,029	1,376	55,400	199,899	253,407	453,307
6-year average ^(b)	19.8%	0.7%	-21.0%	19.9%	9.3%	9.6%	9.5%

(a) The term 'non-government welfare organisations' includes for-profit and not-for-profit non-government organisations.

(b) 6-year average annual growth rates are calculated using exponential growth.

Sources: Government outlays: Table 4; Deflators: ABS 1997b

concessions on electricity and rates for pensioners and aged long-term recipients of allowances and benefits.

Between 1993–94 and 1994–95, the increase was due to the following:

- an additional \$42 million being allocated for the implementation of changes in the Disability Services Program;

- an additional 1,571 places being created in the Disability Services Program; and
- an additional 285 people being placed in major companies and local government authorities with the assistance of special employment officers.

Other welfare services

The other welfare services category includes a variety of services such

as assistance to the homeless (e.g. the Supported Accommodation Assistance Program), prisoner aid, care of refugees, Aboriginal welfare, assistance with rates and other concessions (other than those for older people or people with a disability), premarital education, counselling, and migrant assistance.

Transfers to State and Territory Governments made up 69.6% of all

Commonwealth government transfers for other welfare services over the period 1989–90 to 1994–95. Transfers to State and Territory Governments declined over the same time from 73.6% in 1989–90 to 57.6% in 1994–95, while transfers to NGWOs increased from 22.0% in 1989–90 to 41.4% in 1994–95.

Between 1993–94 and 1994–95, Supported Accommodation Assistance Program (SAAP) services increased from 1,566 to 1,693. There was an increase in funding of the Migrant Access to Projects Scheme from \$0.32 million to \$1.26 million in 1994–95, and the Community Relations Agenda Grants Program of the Department of Immigration and Multicultural Affairs was implemented in 1994–95. The program was funded with \$0.74 million.

Recurrent expenditure on welfare services—a State comparison

State and Territory expenditure data for different types of government services are compiled by the Commonwealth Grants Commission. These data are revised each year as more up-to-date information becomes available to the Commission.

There were considerable variations between the States and Territories in the amounts the governments spent on providing welfare services per head of population. Some of the factors contributing to such variations were differences in:

- State government policies regarding the provision and funding of welfare services;
- the historical role of NGWO involvement in each State and Territory;
- the impact of the recession on each State and Territory;
- the population size in each State and Territory;
- the age/sex structure of State and Territory populations; and
- the boundaries around what are classified as 'welfare services'.

These factors not only contribute to variations between States and Territories, but also they present

problems in analysing trends over time for particular States and Territories. In Tasmania, for example, some welfare services items had been recorded as 'health expenditures' when the related programs were being administered within the health portfolio. However, when the Health Department and the Community Services Department amalgamated in 1992–93, those items became classified as 'welfare expenditures'. Because no adjustment was made to previous years' data, this resulted in a sudden apparent increase in per person expenditure on welfare services by the Tasmanian Government—from \$133 in 1991–92 to \$194 in 1992–93 (Table 9). For this reason, comparing the Tasmanian data with those of other States is not valid prior to 1992–93. Hence, even though earlier years' statistics were displayed in the tables that follow, the analysis is of welfare services expenditure for the period from 1992–93 to 1995–96.

Distribution of welfare services expenditure

From State and Territory own funds, the distribution of expenditure across the three welfare services categories varied appreciably from State to State (Table 8 and Figure 6).

Some of the differences are due to differences in demographic structure. The Northern Territory, with a young age structure, had the highest proportion of expenditure on family and child welfare services in the four years from 1992–93 to 1995–96, at 41.4%. At the other extreme, Tasmania, with an older age structure, had the highest proportion of expenditure on aged and disabled welfare services (71.7%).

Per person expenditure

On a per person basis, the Tasmanian Government's expenditure on welfare services was higher than that of other States or Territories. In 1995–96, its expenditure on welfare, net of Commonwealth transfers, was \$231 per person. When the

Commonwealth's transfers are included, total government expenditure on welfare was \$292 per Tasmanian. Queensland, with \$72 per person net and \$121 including Commonwealth transfers, spent less, per person, on welfare services than any other State or Territory (Figure 7 and Tables 9 and 10).

The rate of growth in expenditure per person, in constant prices, varied from State to State. Average annual growth in expenditure ranged from 3.0% for Western Australia to 6.1% for Australian Capital Territory between 1989–90 and 1995–96 (Table 11).

When Commonwealth Government transfers were removed, expenditure in all States and Territories grew at a much lower rate—ranging from 0.4% for Western Australia to 4.7% for the Australian Capital Territory (Table 12).

Changes in welfare services expenditure between 1993–94 and 1995–96

Between 1993–94 and 1994–95, the only two States having positive growth rates in all three welfare services expenditure areas were New South Wales and Queensland. The States and Territories having rates of growth above the national average rate were New South Wales, Queensland, Tasmania, Australian Capital Territory and Northern Territory (Table 13).

In 1995–96, Victoria, Western Australia and Tasmania were the only States with positive growth rates in all three welfare services expenditure. The two States having rates of growth above the national average rate were Queensland and Western Australia. Important changes in recurrent welfare services expenditure between 1993–94 and 1995–96 at the State and Territory level are discussed below:

New South Wales

In 1994–95, New South Wales had an overall increase in welfare services expenditure of 10.4%. Services for the aged and people with a disability had the largest increase of \$72.9 million. Of this

Table 8: State and Territory government recurrent welfare services expenditure including Commonwealth transfers in current prices, 1989–90 to 1995–96 (%)

	NSW	Vic	Qld	WA	SA	Tas ^(a)	ACT	NT	Total ^(b)
Family and child welfare services									
1989–90	26.0	33.8	27.7	32.9	29.9	26.2	26.4	47.5	29.9
1990–91	25.5	28.6	23.7	33.6	31.4	19.2	25.4	43.8	27.8
1991–92	26.5	26.5	23.6	32.1	31.4	13.7	23.6	46.6	27.2
1992–93	24.4	23.4	19.7	36.6	33.9	21.1	20.7	39.7	25.6
1993–94	25.8	24.2	20.6	33.8	28.9	19.8	16.9	42.3	25.7
1994–95	25.8	21.3	21.3	35.5	28.6	19.4	41.6	40.0	25.5
1995–96	23.8	24.3	23.6	34.7	32.0	19.9	30.1	43.1	26.0
Average 1992–93 to 1995–96	24.9	23.3	21.5	35.1	30.7	20.0	28.3	41.4	25.7
Aged and disabled welfare services									
1989–90	63.0	59.1	53.6	49.1	59.7	60.8	48.5	32.6	58.2
1990–91	65.2	63.1	51.3	49.1	58.7	70.3	38.2	34.2	59.7
1991–92	63.6	67.7	49.5	52.8	59.3	71.9	54.2	34.5	61.7
1992–93	65.6	66.3	58.2	51.4	55.1	70.6	49.5	41.4	62.3
1993–94	63.9	64.9	54.3	55.3	60.0	71.9	50.9	46.9	61.8
1994–95	64.3	69.1	55.3	50.9	61.9	73.1	36.4	41.2	62.6
1995–96	65.6	66.4	57.1	52.3	60.2	71.1	46.5	43.4	62.6
Average 1992–93 to 1995–96	64.9	66.7	56.2	52.5	59.5	71.7	45.3	43.3	62.3
Other welfare services									
1989–90	11.0	7.1	18.6	18.0	10.4	13.0	25.1	19.9	11.9
1990–91	9.3	8.2	25.0	17.3	9.9	10.4	36.5	22.0	12.5
1991–92	9.9	5.8	26.9	15.1	9.3	14.4	22.2	18.9	11.1
1992–93	10.0	10.3	22.1	12.1	11.0	8.3	29.8	18.9	12.0
1993–94	10.3	10.9	25.1	11.0	11.1	8.3	32.2	10.7	12.5
1994–95	9.8	9.6	23.4	13.6	9.5	7.5	21.9	18.8	11.9
1995–96	10.5	9.3	19.2	13.0	7.8	9.0	23.3	13.5	11.4
Average 1992–93 to 1995–96	10.2	10.0	22.3	12.4	9.8	8.3	26.4	15.4	11.9

(a) Due to classification changes to some of the data after 1991–92, data up to 1991–92 cannot be compared with data from 1992–93 onward.

(b) The difference between the totals appearing in this table and the sums of Commonwealth transfer to State and Territory Governments and State expenditure net of Commonwealth transfers in Appendix 1 is due to special appropriations by the Commonwealth Government to State and Territory Governments which cannot be broken down by State and Territory.

Sources: Population: ABS 1997c; Welfare services expenditure: Commonwealth Grants Commission unpublished data; Transfer payments: 1989–90 to 1993–94 from Budget Paper No. 3 or No. 4, 1994–95 to 1995–96 from Department of Finance

increase, \$57 million was allocated for people with a disability (and their families) for accommodation and respite support services. The HACC budget also increased by \$13.5 million.

In 1995–96, total welfare services expenditure increased by 6.2%. Growth rates were high in the other welfare services area and in the aged and disabled welfare services

area, which more than offset the decline in expenditure in the family and child welfare services area of 2.0%.

Victoria

In 1994–95, Victoria had an overall decrease in welfare services expenditure of 3.8%. This decline was mainly in the family and child welfare services area and in the other welfare services area.

In 1995–96, there was an overall increase of 7.3%, mainly in the family and child welfare services area (22.2%). The salary item alone increased by \$36.4 million in that year. In the aged and disabled welfare services area, the increase was partly due to an increase in disability support services of \$4 million.

Queensland

In 1994–95, welfare services expenditure in Queensland grew by 9.9%. Family and child welfare services, and welfare services for the aged and people with a disability grew by over 10%. In the family and child welfare services area, an additional \$6.3 million was spent on 1,455 new child care places. Another \$300,000 was allocated to 100 organisations to promote public awareness of activities in relation to the International Year of the Family. The increase in expenditure for welfare services for the aged and people with a disability was attributable to a number of new initiatives such as the Older People's Action Program, and the Independent Living Centre Mobile Service.

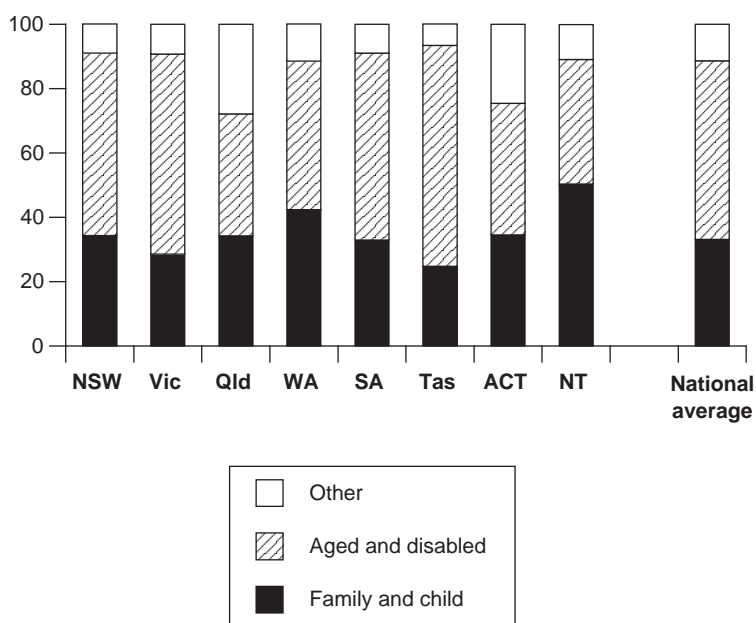
In 1995–96, Queensland had a high growth in total welfare services expenditure of 14.1%. In the other welfare services area, there was a decline of 6.1%. Offsetting this decline was a high growth in both the family and child welfare services and the aged and disabled welfare services areas (26.4% and 17.9% respectively). The increase in the aged and disabled welfare services was partly attributable to an increase in joint disabilities of \$8.2 million, an increase in rates and concessions of \$2.2 million, and an increase in electricity concessions of \$1.7 million.

Western Australia

In 1994–95, an overall low rate of growth of 2.2% was due to a decline in expenditure for the aged and people with disabilities of 5.9%. Offsetting this decline was a high growth rate in the other welfare services area of 26.5%. The increase of \$2.5 million in the other welfare services category was funded by the Western Australia Lotteries Commission. SAAP expenditure increased by 17.6%, from \$13.9 million in 1993–94 to \$16.4 million in 1994–95.

In 1995–96, expenditure in all three areas of welfare services increased with an overall higher growth of 9.0%. The highest growth occurred in the aged and disabled welfare

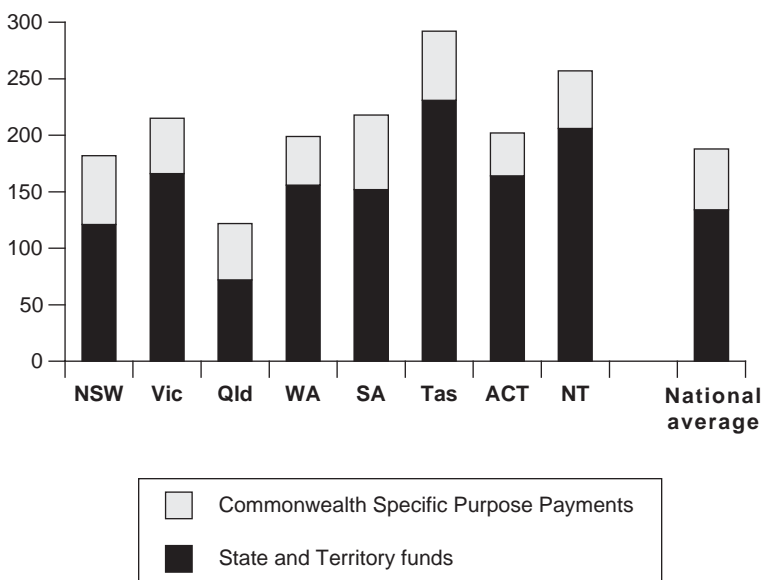
Per cent



Source: Commonwealth Grants Commission unpublished data

Figure 6: Average proportion of welfare services by three welfare services categories and by State and Territory, 1992–93 to 1995–96

\$ per person



Source: Commonwealth Grants Commission unpublished data

Figure 7: Per person welfare services expenditure by States' own funds and Commonwealth funds, 1995–96

Table 9: Per person recurrent expenditure on welfare services by State and Territory Governments' own funds, 1989–90 to 1995–96 in current prices (\$)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1989–90	96	112	69	132	126	114	107	146	103
1990–91	101	125	74	140	137	112	130	164	111
1991–92	117	146	61	143	148	133 ^(a)	118	146	121
1992–93	124	165	65	146	136	194 ^(a)	137	172	130
1993–94	106	168	61	153	139	197	139	190	125
1994–95	128	156	67	152	131	221	174	199	130
1995–96	121	166	72	156	152	231	164	206	134
Average annual growth rate (%)	3.9	6.7	0.7	2.9	3.2	(a)	7.3	5.9	4.5

(a) Due to classification changes to some of the data after 1991–92, the annual growth rate cannot be calculated, and data up to 1991–92 cannot be compared with data from 1992–93 onward.

Source: Table 8

Table 10: Per person gross recurrent expenditure on welfare services by State and Territory Governments, 1989–90 to 1995–96 in current prices (\$)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1989–90	113	129	79	145	145	130	122	167	118
1990–91	119	144	85	155	159	129	148	188	128
1991–92	138	167	72	160	177	152 ^(a)	137	171	140
1992–93	150	200	95	166	169	236 ^(a)	168	201	159
1993–94	159	210	102	186	204	253	175	234	171
1994–95	173	201	109	187	204	278	212	253	177
1995–96	182	214	121	200	218	292	202	256	188
Average annual growth rate (%)	8.2	8.9	7.5	5.6	7.0	(a)	8.7	7.5	8.0

(a) Due to classification changes to some of the data after 1991–92, the annual growth rate cannot be calculated, and data up to 1991–92 cannot be compared with data from 1992–93 onward.

Source: Table 8

Table 11: Per person State and Territory government recurrent expenditure on welfare services including Commonwealth transfers, 1989–90 to 1995–96 in constant (average 1989–90) prices (\$)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1989–90	113	129	79	145	145	130	122	167	118
1990–91	113	136	81	148	151	119	142	180	121
1991–92	124	152	66	147	162	138 ^(a)	128	160	127
1992–93	134	172	85	151	152	210 ^(a)	152	183	141
1993–94	141	180	90	165	174	222	153	210	150
1994–95	154	176	96	166	175	245	186	226	155
1995–96	157	185	104	172	188	252	174	221	162
Average annual growth rate (%)	5.6	6.2	4.8	3.0	4.4	(a)	6.1	4.8	5.4

(a) Due to classification changes to some of the data after 1991–92, the annual growth rate cannot be calculated, and data up to 1991–92 cannot be compared with data from 1992–93 onward.

Sources: Expenditure and population: Table 8; Deflators: ABS 1996 and ABS 1997b

services area (12.0%). Family and child welfare services expenditure grew at 6.3%, while expenditure in the other welfare services area grew by 4.6%.

In the aged and disabled welfare services area, the increase was mainly for services for people with a disability. The Disability Services Commission spent an additional \$5.9 million for disability services, \$2.4 million of which was in the form of grants and subsidies to NGWOs.

In the family and child welfare services area, an additional amount

of \$1.5 million was expended by the Police Department on juvenile justice, and the Department for Community Development funded an additional amount of \$5.2 million for child welfare services.

In the other welfare services area, the increase of \$4.9 million was for essential services provided to Aboriginal people.

South Australia

In 1994–95, there was no increase in the overall expenditure for welfare services. Decreases in expenditure were in the family and child welfare services area and in the

other welfare services area. There was a low growth in the aged and disabled welfare services area of 3.1%.

In 1995–96, the overall growth in welfare services expenditure was 7.3%, mainly in the family and child welfare services area (20.2%). The increase of \$19.7 million was for child welfare services.

Tasmania

In 1994–95, Tasmania had an overall growth in total welfare services expenditure of 10.1%. The highest growth of 11.9% was in the aged and disabled welfare services

Table 12: Per person recurrent expenditure on welfare services by State and Territory Governments' own funds, 1989–90 to 1995–96 in constant (average 1989–90) prices (\$)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1989–90	96	112	69	132	126	114	107	146	103
1990–91	96	119	70	133	130	104	125	157	105
1991–92	105	134	56	132	136	121 ^(a)	110	137	110
1992–93	111	142	58	133	122	173 ^(a)	124	156	115
1993–94	95	144	54	136	119	173	122	171	109
1994–95	113	136	59	135	113	195	152	178	115
1995–96	105	143	62	135	131	199	141	177	115
Average annual growth rate (%)	1.4	4.0	-1.8	0.4	0.6	(a)	4.7	3.3	1.9

(a) Due to classification changes to some of the data after 1991–92, the annual growth rate cannot be calculated, and data up to 1991–92 cannot be compared with data from 1992–93 onward.

Source: Table 11

Table 13: Changes in State and Territory government recurrent welfare services expenditure including Commonwealth transfer in current prices between 1993–94 and 1995–96 (%)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Family and child welfare services									
1993–94 to 1994–95	10.7	-15.5	13.7	7.5	-1.1	8.0	202.1	3.0	3.5
1994–95 to 1995–96	-2.0	22.2	26.4	6.3	20.2	8.3	-30.5	11.8	9.6
Aged and disabled welfare services									
1993–94 to 1994–95	11.2	2.5	11.9	-5.9	3.1	11.9	-12.0	-4.4	5.6
1994–95 to 1995–96	8.4	3.0	17.9	12.0	4.3	2.4	22.5	9.4	7.4
Other welfare services									
1993–94 to 1994–95	5.1	-15.3	2.6	26.5	-14.1	-1.0	-16.4	91.4	-0.8
1994–95 to 1995–96	13.4	4.4	-6.1	4.6	-12.1	26.6	2.2	-25.7	3.2
Total welfare services									
1993–94 to 1994–95	10.4	-3.8	9.9	2.2	0.0	10.1	22.8	9.0	4.3
1994–95 to 1995–96	6.2	7.3	14.1	9.0	7.3	5.3	-4.0	3.8	7.5

Source: Table 8

area. Services contributing to the growth were HACC services, the establishment of two new overnight respite care centres, the installation of an additional 40 tenancy support places, and increased funding for the Community Integration Program. In 1995–96, overall growth in total welfare services expenditure was 5.3%. The area with the highest growth was other welfare services (26.6%). An additional amount of \$1.9 million was for supported accommodation.

Australian Capital Territory

In 1994–95, the overall increase in welfare services expenditure by the Australian Capital Territory Government was the highest (22.8%) of any of the States and Territories. This high growth rate was mainly attributable to an increase in expenditure on family and child welfare services (202.1%).

In 1995–96, there was a decline in total welfare services expenditure. Even though there was an increase in expenditure in the aged and disabled welfare services area of 22.5%, this was not enough to compensate the fall in the expenditure on family and child welfare services of 30.5%.

Northern Territory

In 1994–95, Northern Territory had an overall growth in welfare services expenditure of 9.0% which was above the national average.

This was mainly attributable to a very high growth in the other welfare services area (91.4%). The increase was in the Territory's Health Services Department. An increasing focus was given to the Substance Abuse Reduction Program, and to the Increasing Community Awareness and Education Program.

In 1995–96, growth was 3.8%. A reduction of expenditure in the other welfare services area of 25.7% was offset by the increase of expenditure in the other two areas.

Estimates of the funding of the non-government welfare organisations

The non-government welfare organisations (NGWOs) include the for-profit organisations and the not-for-profit organisations. As grants to NGWOs cannot be split up by type of organisation, data on grants to non-government organisations shown in Table 14, therefore, include grants to both the for-profit and the not-for-profit organisations.

However, estimates of NGWOs' contributions displayed in the table do not include those of the for-

profit organisations for two reasons. First, we do not have a list of organisations operating strictly on a for-profit basis. Second, even if we had the list, their financial statements may not be available for the analysis. It is already difficult to obtain financial statements from some of the not-for-profit organisations, let alone from the for-profit ones.

The statistics on government funding for 1992–93 and 1993–94 shown in Table 14 in this issue differ from those published in Table 14 of the previous issue, in that the Commonwealth government grants for child care services are included in this issue.

Estimates of government funding for welfare services other than child care services of the non-government welfare services sector, and own-source funding of the not-for-profit organisations for 1992–93 and 1993–94 were derived from the Industry Commission sources. For 1994–95, estimates were made by the Institute. Also displayed in the table are the Institute's estimates of client fees.

Client fees for child care services for 1992–93 and 1993–94 were revised. In the previous issue of this bulletin, estimates of client fees included services provided by government agencies as well as by NGWOs and informal care. Figures shown in Table 14 are now estimates of client fees for child

Table 14: Sources of recurrent income^(a), all government-funded organisations, 1992–93 to 1994–95

	1992–93		1993–94		1994–95	
	(\$m)	(%)	(\$m)	(%)	(\$m)	(%)
Government funding^(b)	1,846	46.2	2,074	47.3	2,167	46.5
NGWO (not-for-profit) funding^(c)	760	19.0	805	18.4	945	20.3
Client fees						
• Child care	621	15.6	691	15.8	764	16.4
• Other ^(d)	766	19.2	815	18.6	783	16.8
Total	3,993	100.0	4,385	100.0	4,659	100.0

(a) The terms 'recurrent income' and 'recurrent expenditure' are used interchangeably as the recurrent expenditure of these organisations is almost the same as their recurrent income (Industry Commission 1995, p. C16).

(b) Includes the Commonwealth government grants to providers of child care services.

(c) Includes revenue from fund-raising and revenue from business undertakings such as opportunity shops and sheltered workshops.

(d) Includes estimates of client fees for not-for-profit government-funded organisations from the Industry Commission study. Data on overseas aid organisations have been excluded.

Sources: 1992–93: estimated by AIHW from Industry Commission 1994; 1993–94: estimated by AIHW from Industry Commission 1995; Child care service clients' contribution: estimated by AIHW from ABS 1997d; Government funding: Table 4; 1994–95 estimated by AIHW.

care services provided by the NGWOs only.

The NGWO recurrent expenditure was estimated to increase by 9.8% from \$3,993 million in 1992–93 to \$4,385 million in 1993–94, and by 6.2% to \$4,659 million in 1994–95. Over the three years from 1992–93 to 1994–95, their expenditure was funded largely by governments, averaging 46.7%, by NGWOs' own source of income, 19.3%, and by client fees, 34.1%.

Of the total client fees of \$1.5 billion in 1994–95, 49.4% was fees charged for child care services. Aged care services, mainly hostels, accounted for 33.6%. The remaining 17.0% were fees for services provided to people with a disability, and other welfare services.

The data displayed in Table 14 do not provide a complete picture of the non-government sector's contribution to welfare services for four major reasons. First, they only cover the government-funded organisations. The size of the non-government funded organisations and their contribution are not known. Second, capital expenditure by these NGWOs (e.g. hostel services) was not included. Third, data in Table 14 do not cover all the expenditure of the for-profit organisations. A number of services in the area of aged persons and persons with a disability are also provided by for-profit organisations. Fourth, the not-for-

profit organisations managed and arranged for volunteers to assist in service provision at no cost to the community. The work of volunteers helps reduce not only staff costs but also the oncosts related to employment of welfare service workers that governments would have had to pay if they were to provide all welfare services themselves. The estimates of NGWO and client fees in Table 14, therefore, are conservative.

Funding and provision of welfare services

In 1994–95, the government sector funded a total of \$5.3 billion of welfare services expenditure. Only 59.2% was for services provided by the government sector itself; the remaining 40.8% was transferred to NGWOs which then used these funds to provide services to the community (Table 15). Among the three levels of government, the Commonwealth Government was predominantly a funder of services rather than a provider of services. Of the \$2.8 billion funded by the Commonwealth Government, only 10.7% was for direct services provided to the community; the rest (89.3%) was transferred to the other two levels of government and the NGWOs. State and Territory

Governments spent \$2.2 billion on direct services but funded \$2.4 billion, 42.1% of which went to NGWOs. Local governments are predominantly providers of services. They funded \$98 million, but provided \$617 million worth of services.

NGWOs were predominantly providers of services, providing 61.1% worth of the total value of services. The remaining 38.9% was provided by government agencies, with State and Territory government agencies playing a more dominant role than the other two levels of government.

Welfare services expenditure as a proportion of Gross Domestic Product

Welfare services expenditure as a proportion of GDP increased from 1.3% in 1989–90 to 1.8% in 1992–93 and stayed at that level to 1995–96. As mentioned above, estimates for the non-government sector were conservative, and hence welfare services expenditure as a proportion of GDP could be slightly higher than shown in Table 16.

Table 15: Funding and provision of welfare services, 1994–95 (\$ million)

Provider of services	Source of funds					Total	Proportion of service provision
	Commonwealth Government	State and Territory Governments	Local governments	NGWOs ^(a)	Client fees ^(b)		
Government							
• Commonwealth Government	292	–	–	–	8	300	3.7%
• State and Territory Governments	799	1,294	–	–	132	2,225	27.6%
• Local governments	281	103	95	–	137	617	7.6%
<i>Total Government</i>	1,372	1,397	95	–	277	3,142	38.9%
NGWOs	1,424	1,016	2	945	1,547	4,935	61.1%
Total government and NGWOs	2,796	2,414	98	945	1,824	8,076	
Proportion of funding	34.6%	29.9%	1.2%	11.7%	22.6%		

(a) Profits from sales of assets are included but not the value of the assets sold.

(b) Client fees for informal child care are not included.

Sources: Tables 2 and 14

Table 16: Welfare services expenditure and Gross Domestic Product in current prices, 1989–90 to 1995–96 (\$ million)

	Government sector				Non-government sector ^(a)			Total welfare services expenditure	GDP	Total welfare services expenditure as % of GDP
	Commonwealth Government	State and Territory Government	Local government	Total government	NGWOs	Clients ^(b)	Total non-government			
1989–90	1,184	1,819	34	3,037	502	1,189	1,690	4,728	370,189	1.3
1990–91	1,522	1,995	51	3,568	589	1,396	1,986	5,554	378,716	1.5
1991–92	1,983	2,199	20	4,203	694	1,645	2,339	6,541	387,067	1.7
1992–93	2,261	2,443	29	4,733	760	1,868	2,628	7,360	404,798	1.8
1993–94	2,567	2,319	51	4,938	805	1,980	2,785	7,722	429,785	1.8
1994–95	2,796	2,414	98	5,307	945	2,049	2,994	8,302	457,667	1.8
1995–96	3,085	2,534	165	5,784	918	2,228	3,147	8,930	488,967	1.8

(a) Estimates of contribution by NGWOs and clients for 1989–90 to 1991–92 were made using the average ratio of NGWOs' contribution to total government sector outlays, and client contribution to total government sector outlays for the period from 1992–93 to 1994–95.

(b) Includes estimate of child care fees paid to the informal sector.

Sources: Government sector, Table 2; Non-government sector, Table 14; GDP, ABS 1997b

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Revisions

Revisions to the content and data presented in *Welfare Services Expenditure Bulletin No. 2* were made in the following areas:

Welfare services for the aged

More detailed information was obtained on different aged care services, including:

- recurrent grants to NGWOs for Commonwealth Respite Care, Home and Community Care, hostels, and the Community Aged Care Package; and
- capital grants to NGWOs for Commonwealth Respite Care, Home and Community Care, hostels, and the Community Aged Care Package.

Commonwealth government capital expenditure

In the previous issues of the bulletin, the source for capital expenditure by the three levels of government was the ABS public finance data. In this issue, capital expenditure by the Department of Health and Family Services compiled by the Institute was higher than in the ABS source. Estimates by the Institute were used instead.

State and Territory government expenditure

The Commonwealth Grants Commission revise data each year as more up-to-date information becomes available to it. The extent to which revisions were made varies from State to State and from year to year. Since the publication of *Welfare Services Expenditure Bulletin No. 2*, revisions were made to the data for New South Wales, Victoria, Queensland, Western Australia, and Tasmania—ranging from a decrease of 9.7% in Queensland to an increase of 4.7% in Victoria for the 1990–91 to 1993–94 data.

Local government capital expenditure

In the previous issue of the bulletin, local government capital expenditure was negative for 1993–94. The ABS has since revised capital expenditure upward to a positive value.

DHFS Corporate Program administration costs allocation

A new database system has been established to allocate the Corporate Program administration costs of the DHFS to various areas of expenditure. This system is more reliable. The new system was used for earlier years' data.

Department of Immigration and Multicultural Affairs

Translating and interpreting services and humanitarian settlements are included.

Excluded is the English program for adult migrants. The correct classification for this expenditure item is GPC 0349 (Other education programs are not definable by level). They include adult education courses which are essentially non-vocational and associated with leisure-time activities other than those offered by colleges of technical and further education; migrant education programs; and other educational programs not definable by education level. This affects estimates of Commonwealth expenditure on 'other welfare services'.

Client fees for child care services

The estimates of client fees for child care services in *Welfare Services Expenditure Bulletin No. 2* were for services provided by government agencies, NGWOs and the informal sector. In this issue, client fees are broken down by the three types of service provider.

Fees charged by government agencies were derived from the ABS public finance ETF code 1121 (General Government Charges for Goods and Services) for GPC 0621 (Family and Child Welfare Services).

Client fees paid for informal care were derived from the ABS Child Care Survey (AIHW 1997d).

Client fees charged by non-government agencies were obtained by subtracting fees charged by government agencies and fees for informal care from total client fees for child care services.

Appendixes

Appendix 1: Commonwealth, State and Territory Governments recurrent outlays on welfare services in current prices, 1989–90 to 1994–95 (\$'000)

	Recipients of Commonwealth transfer payments				Total Commonwealth outlays	State expenditure net of Commonwealth transfers	Total Commonwealth and State and Territory outlays
	Commonwealth direct outlays	State and Territory Governments	Local governments	Non-government organisations ^(a)			
Family and child welfare services							
1989–90	13,643	14,994	79,123	112,669	220,429	582,812	803,241
1990–91	17,526	15,746	76,144	144,939	254,355	594,871	849,226
1991–92	21,053	25,038	124,904	273,997	444,992	636,282	1,081,274
1992–93	22,205	28,009	152,753	354,643	557,610	689,042	1,246,652
1993–94	24,083	26,524	166,627	470,526	687,760	751,034	1,438,794
1994–95	27,729	28,692	177,279	562,664	796,364	775,401	1,571,765
Average annual growth ^(b)	15.2%	13.9%	17.5%	37.9%	29.3%	5.9%	14.4%
Aged and disabled welfare services							
1989–90	74,358	167,425	58,912	315,719	616,414	996,571	1,612,985
1990–91	112,985	190,461	71,163	535,753	910,363	1,119,163	2,029,526
1991–92	153,745	215,524	82,877	612,692	1,064,837	1,286,889	2,351,726
1992–93	167,707	389,210	88,878	609,112	1,254,907	1,356,396	2,611,303
1993–94	187,166	610,131	97,800	574,244	1,469,341	1,191,242	2,660,583
1994–95	188,345	636,568	97,299	662,038	1,584,250	1,273,845	2,858,095
Average annual growth ^(b)	20.4%	30.6%	10.6%	16.0%	20.8%	5.0%	12.1%
Other welfare services							
1989–90	26,747	74,972	4,461	22,372	128,552	162,128	290,680
1990–91	38,421	86,388	1,361	29,126	155,296	188,026	343,322
1991–92	52,068	95,840	1,061	24,625	173,594	174,784	348,378
1992–93	73,407	100,136	1,867	36,007	211,417	237,011	448,428
1993–94	61,556	105,371	1,940	52,534	221,400	273,129	494,529
1994–95	75,111	87,537	1,564	62,957	227,170	287,977	515,147
Average annual growth ^(b)	22.9%	3.1%	-18.9%	23.0%	12.1%	12.2%	12.1%

(a) The term 'non-government organisations' includes for-profit and not-for-profit organisations.

(b) Average annual growth rates are calculated using exponential growth.

(c) Not calculated because of the negative value in 1988–89.

Sources: Commonwealth direct outlays: DCSH 1990, DHHCS 1992, DHHLGCS 1993a, DSHS 1994 and 1995, DHFS 1996, Department of Immigration and Ethnic Affairs unpublished data, and Department of Veterans' Affairs unpublished data; Transfer payments to State and local governments: Commonwealth financial relations with other levels of government, various years, Budget Paper No. 3 or No. 4; Transfer payments to NGOs; Unpublished DSHS data; State outlays: Commonwealth Grants Commission. Table 6: Commonwealth, State and Territory Governments recurrent outlays on welfare services in current prices, 1989–90 to 1994–95 (\$'000)

Appendix 2: State and Territory government recurrent welfare services expenditure including Commonwealth transfers in current prices, 1989–90 to 1995–96 (\$'000)

	NSW	Vic	Qld	WA	SA	Tas ^(a)	ACT	NT	Total ^(b)
Family and child welfare services									
1989–90	171,013	189,137	62,512	75,951	61,656	15,699	9,000	12,838	597,806
1990–91	178,138	180,970	59,138	84,672	71,870	11,547	10,704	13,578	610,617
1991–92	217,062	195,657	50,982	84,446	80,626	9,811	9,443	13,293	661,320
1992–93	218,893	208,275	57,614	101,240	83,721	23,518	10,326	13,464	717,051
1993–94	246,286	227,751	66,166	106,001	86,603	23,570	8,848	16,921	782,146
1994–95	272,590	192,458	75,217	113,906	85,622	25,445	26,731	17,437	809,406
1995–96	267,017	235,165	95,051	121,041	102,890	27,546	18,578	19,489	886,777
Aged and disabled welfare services									
1989–90	413,593	331,065	121,036	113,351	123,257	36,359	16,527	8,808	1,163,996
1990–91	455,966	398,799	128,037	123,816	134,059	42,252	16,092	10,603	1,309,624
1991–92	521,168	500,532	107,059	138,697	152,052	51,355	21,716	9,834	1,502,413
1992–93	589,566	590,409	169,979	142,323	136,090	78,503	24,694	14,042	1,745,606
1993–94	610,295	609,714	174,290	173,399	179,809	85,796	26,598	18,753	1,878,654
1994–95	678,430	624,956	194,968	163,214	185,455	96,031	23,399	17,933	1,984,386
1995–96	735,260	643,933	229,955	182,796	193,426	98,295	28,668	19,626	2,131,959
Other welfare services									
1989–90	72,277	39,742	42,055	41,469	21,397	7,768	8,533	5,377	238,618
1990–91	65,277	52,059	62,381	43,607	22,618	6,273	15,374	6,825	274,414
1991–92	81,499	42,762	58,236	39,756	23,807	10,262	8,907	5,395	270,624
1992–93	89,821	91,661	64,486	33,415	27,296	9,189	14,894	6,425	337,187
1993–94	98,797	101,997	80,396	34,368	33,171	9,903	16,855	4,284	379,771
1994–95	103,824	86,424	82,462	43,481	28,506	9,806	14,083	8,201	376,787
1995–96	117,747	90,269	77,405	45,481	25,070	12,416	14,391	6,090	388,869
Total welfare services									
1989–90	656,883	559,944	225,603	230,771	206,310	59,826	34,060	27,023	2,000,420
1990–91	699,381	631,828	249,556	252,095	228,547	60,072	42,170	31,006	2,194,655
1991–92	819,729	738,951	216,277	262,899	256,485	71,428	40,066	28,522	2,434,357
1992–93	898,280	890,345	292,079	276,978	247,107	111,210	49,914	33,931	2,799,844
1993–94	955,378	939,462	320,852	313,768	299,583	119,269	52,301	39,958	3,040,571
1994–95	1,054,844	903,838	352,647	320,601	299,583	131,282	64,213	43,571	3,170,579
1995–96	1,120,024	969,367	402,411	349,318	321,386	138,257	61,637	45,205	3,407,605

(a) Due to classification changes to some of the data after 1991–92, data up to 1991–92 cannot be compared with data from 1992–93 onward.

(b) The difference between the totals appearing in this table and the sums of Commonwealth transfer to State and Territory Governments and State expenditure net of Commonwealth transfers in Table 6 is due to special appropriations by the Commonwealth Government to State and Territory Governments which cannot be broken down by State and Territory.

Sources: Population: ABS 1997c; Welfare services expenditure: Commonwealth Grants Commission unpublished data; Transfer payments: Budget Paper No. 3 or No. 4

Appendix 3: State and Territory government recurrent welfare services expenditure excluding Commonwealth transfers in current prices, 1989–90 to 1995–96 (\$'000)

	NSW	Vic	Qld	WA	SA	Tas ^(a)	ACT	NT	Total ^(b)
Family and child welfare services									
1989–90	169,059	186,021	61,811	75,458	53,380	15,498	9,000	12,585	582,812
1990–91	176,634	177,937	58,548	84,133	62,255	11,342	10,653	13,369	594,871
1991–92	215,017	190,651	50,214	83,717	64,733	9,485	9,372	13,093	636,282
1992–93	216,996	202,684	56,685	100,563	65,477	23,165	10,218	13,254	689,042
1993–94	244,313	220,889	65,396	105,211	66,593	23,208	8,715	16,709	751,034
1994–95	270,262	186,662	74,057	113,122	62,421	25,066	26,588	17,223	775,401
1995–96	264,692	228,601	93,861	120,243	75,396	27,157	18,431	19,270	847,651
Aged and disabled welfare services									
1989–90	345,287	279,587	104,856	100,198	111,831	32,406	14,733	7,673	996,571
1990–91	381,991	340,098	108,605	107,726	119,783	38,038	13,774	9,148	1,119,163
1991–92	429,494	439,905	87,866	120,031	136,215	46,028	19,067	8,283	1,286,889
1992–93	470,843	464,807	93,815	118,829	114,998	62,438	18,868	11,798	1,356,396
1993–94	335,125	452,743	64,789	127,810	113,598	63,516	19,493	14,168	1,191,242
1994–95	421,741	451,072	78,331	109,188	111,850	73,506	16,306	11,851	1,273,845
1995–96	422,431	457,373	85,119	122,508	136,869	73,912	20,974	13,442	1,332,627
Other welfare services									
1989–90	44,673	23,564	30,642	34,445	14,676	4,516	6,179	3,433	162,128
1990–91	35,309	32,964	49,164	35,520	15,003	2,831	12,663	4,572	188,026
1991–92	50,962	18,016	43,600	31,737	14,719	6,877	5,903	2,970	174,784
1992–93	56,229	68,717	48,475	24,508	17,832	5,717	11,699	3,834	237,011
1993–94	61,113	77,507	63,884	25,080	24,309	6,136	13,521	1,579	273,129
1994–95	83,684	60,796	65,601	38,470	18,508	5,975	9,628	5,315	287,977
1995–96	59,401	62,944	58,998	30,646	12,237	8,302	10,673	3,589	246,790
Total welfare services									
1989–90	559,019	489,172	197,309	210,101	179,887	52,420	29,912	23,691	1,741,511
1990–91	593,934	550,999	216,317	227,379	197,041	52,211	37,090	27,089	1,902,060
1991–92	695,473	648,572	181,680	235,485	215,667	62,390	34,342	24,346	2,097,955
1992–93	744,068	736,208	198,975	243,900	198,307	91,320	40,785	28,886	2,282,449
1993–94	640,551	751,139	194,069	258,101	204,500	92,860	41,729	32,456	2,215,405
1994–95	775,687	698,530	217,989	260,780	192,779	104,547	52,522	34,389	2,337,223
1995–96	746,524	748,918	237,978	273,397	224,502	109,371	50,078	36,301	2,427,068

(a) Due to classification changes to some of the data after 1991–92, data up to 1991–92 cannot be compared with data from 1992–93 onward.

(b) The difference between the totals appearing in this table and the sums of Commonwealth transfer to State and Territory Governments and State expenditure net of Commonwealth transfers in Table 6 is due to special appropriations by the Commonwealth Government to State and Territory Governments which cannot be broken down by State and Territory.

Sources: Population: ABS 1997c; Welfare services expenditure: Commonwealth Grants Commission unpublished data; Transfer payments: Budget Paper No. 3 or No. 4