

Welfare Services Expenditure

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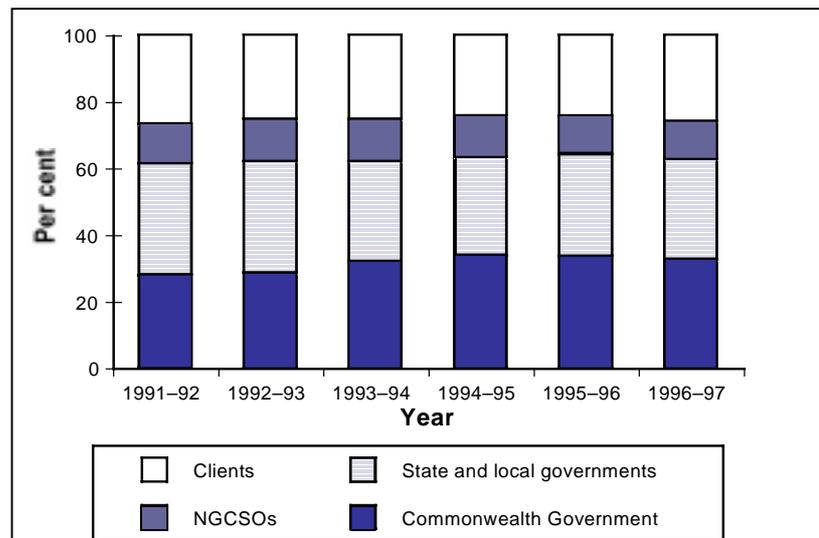
Welfare services expenditure 1991–92 to 1996–97

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 for 1991–92 to 1996–97. Additional features in this issue include an estimate of the for-profit non-government community services organisations (NGCSOs) contribution to welfare services and an estimate of funding from NGCSOs' own resources for the provision of child care services. Detailed expenditure by three welfare service categories is available only for the Commonwealth Government and the State and Territory Governments.

Total welfare services expenditure as a proportion of GDP rose from 1.7% in 1991–92 to 1.8% in 1992–93 and remained at that level for the next three years, before rising to 1.9% in 1996–97 (Table 17). Total welfare services expenditure in 1996–97 was estimated at \$9.9 billion. Of this amount, 62.7% was funded by the government sector, 26.0% was funded by users of welfare services, and the remaining 11.4% was funded by NGCSOs.

The Commonwealth Government's share of total welfare services expenditure increased each year over the period from 27.8% in 1991–92 to 33.5% in 1995–96, then fell to 32.5% in 1996–97. In the first two years of the period, State and Territory Governments and local governments combined contributed slightly over 33%, but declined to around 30% from 1993–94 to 1996–97. Clients' contributions in the form of fees for services fluctuated over



Source: Table 17

Figure 1: Welfare services expenditure by source of funds, 1991–92

the period, averaging 25.2%. NGCSOs' contribution averaged 12.0% over the whole period reaching its peak at 12.7% in 1992–93 and 1993–94, after which it gradually declined to 11.4% in 1996–97 (Figure 1, and Appendix 3). NGCSOs are the major providers of welfare services. Of the \$9.9 billion total welfare services expenditure in 1996–97, they delivered \$6.0 billion (61.0%) worth of services, \$1.1 billion (11.4%) of the \$6.0 billion was funded from their own sources (not

including client fees). In contrast, the Commonwealth Government is largely a funder of services. It contributed \$3.2 billion (32.5%) of funding for welfare services but only delivered \$0.3 billion (3.2%) worth of services. State and Territory Governments are both major funders and major providers of services (Figure 8 and Table 16).

In this publication, welfare services are classified into three broad categories—(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 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 major focus is on the changes in welfare services between 1995–96 and 1996–97.

Summary

Total welfare services expenditure

- In 1996–97, total welfare services expenditure was \$9.9 billion, and was 1.9% of GDP (Table 17).

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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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- Welfare services expenditure in current prices as a proportion of GDP increased from 1.7% in 1991–92 to 1.8% in 1992–93, after which it remained constant at that level to 1995–96, then increased to 1.9% in 1996–97.

Total welfare services expenditure by source of funds

- In 1996–97, the government sector funded 62.7% of total welfare services expenditure; the remaining 37.3% was funded by the non-government sector which comprises NGCSOs and clients (Appendix 3).
- In 1996–97, the government sector funded \$6.2 billion of welfare services expenditure (Table 3). Of the \$6.2 billion, the Commonwealth Government funded 51.9%, and the State and Territory Governments 46.4%. The remaining 1.7% was funded by local governments.
- A conservative estimate of the funding of welfare services in 1996–97 by non-government community services organisations (NGCSOs) operating on both a 'not-for-profit' and a 'for-profit' basis was \$1.1 billion (Table 17).
- In 1996–97, clients paid \$2.6 billion (26.0% of the total value of welfare services) for welfare services provided by governments, NGCSOs and informal child care providers.

Expenditure per person

- In 1996–97, expenditure on welfare services averaged \$538 per person (Table 18). Of this amount, \$337 was funded by the government sector (Table 5).
- Net expenditure per person funded by State and Territory Governments in 1996–97 ranged from \$75 in Queensland to \$213 in the Northern Territory,

giving a national average of \$145 (Table 10).

- In 1996–97, the contribution of the Commonwealth Government to the funding of State and Territory welfare services in current prices ranged from \$39 in the Australian Capital Territory to \$82 in South Australia, with a national average of \$52 per person (calculated from Tables 10 and 11).

Funding of recurrent and capital expenditure

- In 1996–97, recurrent funding was 94.1% of the \$6.2 billion total government welfare services outlays, and capital funding 5.9% (Table 3).
- In 1996–97, just over half (53.0%) of recurrent expenditure was funded by the Commonwealth Government. State and Territory Governments funded 45.7%, and local governments 1.3%.
- In 1996–97, the Commonwealth Government funded 34.7% of total government sector capital outlays, State and Territory Governments 57.3%, and local governments 8.0%.

Service provision

- NGCSOs are major providers of welfare services. In 1996–97, they delivered \$6.0 billion worth of welfare services to the community, \$1.1 billion of which was from their own resources (Table 16).
- In 1996–97, the government sector provided \$3.6 billion worth of services and funded \$6.2 billion.
- The Commonwealth Government is predominantly a funder of services rather than a provider of services. In 1996–97, direct expenditure on the provision of services by the Commonwealth Government was \$339 million, compared

with total funding of \$3.2 billion in the same year.

- The State and Territory Governments are both funders and providers of services. In 1996–97, they funded \$2.9 billion and delivered \$2.5 billion worth of services.
- Local governments are providers of services more than funders of services. In 1996–97, they funded \$108 million and delivered \$725 million worth of services.
- A total of 45.3% of government funds (\$2.8 billion) was transferred to NGCSOs, which then delivered welfare services to the community.

Functional areas of recurrent government expenditure

- In 1996–97, services for the aged and people with a disability accounted for 56.3% of recurrent outlays on welfare services by the Commonwealth and the State and Territory Governments. Family and child welfare services accounted for 36.3%, while other welfare services accounted for 7.4% (Table 6).
- In 1996–97, well over half (56.6%) of the Commonwealth's recurrent outlays on welfare services were allocated to services for the aged and people with a disability. A further 37.5% was allocated to family and child welfare services (mainly childcare services). The remaining 6.0% went to other welfare services (from Appendix 1).
- State and Territory Governments also provided over half (56.0% in 1996–97) of their funds to welfare services for the aged and people with a disability. A further 34.9% was for family and child welfare services (mainly child welfare

services). The remaining 9.1% was for other welfare services (Appendix 1).

- In the period 1991–92 and 1996–97, the average proportion of government sector welfare outlays for aged and disabled welfare services ranged from 38.3% in the Northern Territory to 63.1% in Victoria (Figure 6 and Appendix 4).
- The differences in demographic structure and policy emphasis of each State and Territory contributed to the variation in the proportion of expenditure for each type of expenditure.

Changes in welfare services expenditure 1991–92 to 1996–97

- Total welfare services expenditure per person (\$538 in 1996–97) rose at an average annual rate of 5.5% in constant prices between 1991–92 and 1996–97, giving a total increase of 30.8% (Table 18).
- Welfare services expenditure per person funded by the government sector (\$337 in 1996–97) rose at an average annual rate of 6.0% in constant prices between 1991–92 and 1996–97, giving a total increase of 33.5% (Table 5).
- The government sector's share of total welfare services expenditure rose slightly from 61.4% in 1991–92 to 62.7% in 1996–97, while that of the non-government sector fell from 38.6% to 37.3% (calculated from Table 17).
- Within the government sector, the Commonwealth Government's share rose from 45.3% in 1991–92 to 51.9% in 1996–97, while that of the State and Territory Governments fell from 54.2% to 46.4% (Table 3).
- Within the non-government sector, the NGCSOs' own fund accounted for 32.3%. It reached

its peak (33.8%) in 1994–95, after which it gradually fell to 30.4% in 1996–97. Clients' share moved in the opposite direction to that of the NGCSOs and averaged 67.7% during the period (calculated from Table 17).

- In constant prices, per person growth of the contribution of the Commonwealth Government to the funding of State and Territory welfare services between 1991–92 and 1996–97 was highest in Queensland (29.5%), from \$11 per person in 1991–92 to \$39 in 1996–97. The Australian Capital Territory experienced the lowest growth (11.7%), from \$18 per person in 1991–92 to \$32 in 1996–97 (Appendix 5).

Government expenditure on welfare services

Total government outlays by purpose

In 1996–97, outlays by all levels of governments in Australia for all purposes totalled \$193 billion (Table 1). Government outlays for social security income support were \$45.2 billion, for health \$28.9 billion, for education \$24.5 billion, and for defence \$9.5 billion as compared with outlays on welfare services of \$6.2 billion. Social security accounted for 23.4% of total outlays, followed by health (15.0%) and education (12.7%) with welfare services at 3.2%.

Outlays on welfare services in current prices rose from \$4.0 billion in 1991–92 to \$6.2 billion in 1996–97, representing a rise of 53.1% 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 2.6% in 1991–92 to 3.2% in 1996–97 (Table 1 and Figure 2).

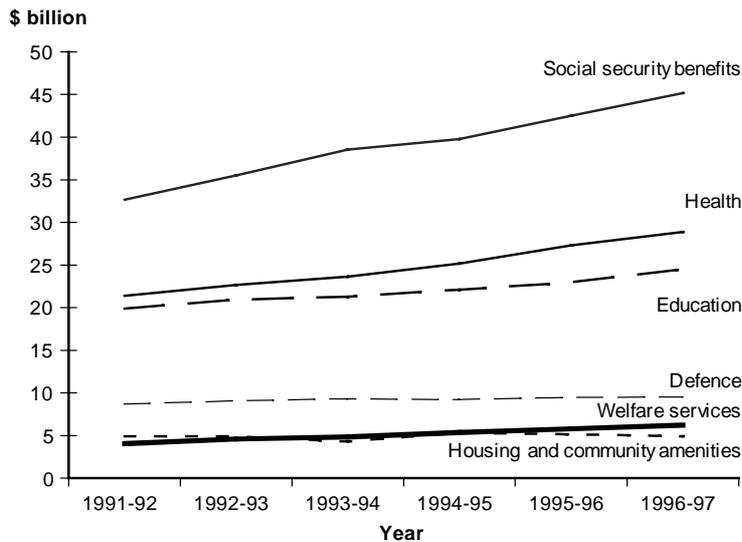
Table 1: Total government outlays in current prices by purpose, 1991–92 to 1996–97 (\$ million)

	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	Growth rate ^(a)
General public services							
Amount	12,499	12,698	13,898	13,788	14,140	14,649	3.2%
Proportion of total	7.9%	7.7%	8.2%	7.7%	7.5%	7.6%	
Defence							
Amount	8,607	9,010	9,237	9,147	9,394	9,454	1.9%
Proportion of total	5.4%	5.5%	5.4%	5.1%	5.0%	4.9%	
Public order and safety							
Amount	5,630	5,642	5,765	6,183	6,696	7,406	5.6%
Proportion of total	3.6%	3.4%	3.4%	3.5%	3.6%	3.8%	
Education							
Amount	19,888	20,930	21,296	22,104	22,967	24,480	4.2%
Proportion of total	12.6%	12.7%	12.6%	12.4%	12.2%	12.7%	
Health							
Amount	21,375	22,667	23,645	25,173	27,305	28,878	6.2%
Proportion of total	13.5%	13.7%	14.0%	14.1%	14.5%	15.0%	
Social security benefits							
Amount	32,660	35,506	38,545	39,795	42,523	45,184	6.7%
Proportion of total	20.6%	21.5%	22.7%	22.3%	22.6%	23.4%	
Welfare services							
Amount	4056	4581	4846	5362	5785	6211	8.9%
Proportion of total	2.6%	2.8%	2.9%	3.0%	3.1%	3.2%	
Other social security and welfare							
Amount	1,453	1,338	1,430	1,499	1,562	1,707	3.3%
Proportion of total	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	
Housing and community amenities							
Amount	4,898	4,903	4,304	5,342	5,153	4,915	0.1%
Proportion of total	3.1%	3.0%	2.5%	3.0%	2.7%	2.5%	
Recreation and culture							
Amount	3,800	3,998	3,885	4,008	4,754	5,302	6.9%
Proportion of total	2.4%	2.4%	2.3%	2.2%	2.5%	2.7%	
Fuel and energy							
Amount	3,375	2,624	2,115	3,475	3,417	2,795	-3.7%
Proportion of total	2.1%	1.6%	1.2%	1.9%	1.8%	1.4%	
Agriculture, forestry, fishing and hunting							
Amount	2,723	3,395	2,406	2,108	3,114	2,592	-1.0%
Proportion of total	1.7%	2.1%	1.4%	1.2%	1.7%	1.3%	
Mining, manufacturing, construction, etc.							
Amount	923	755	840	774	808	774	-3.5%
Proportion of total	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	
Transport and communication							
Amount	13,466	13,855	13,501	14,631	15,183	15,202	2.5%
Proportion of total	8.5%	8.4%	8.0%	8.2%	8.1%	7.9%	
Other economic affairs							
Amount	3,703	4,963	5,002	5,177	5,551	4,807	5.4%
Proportion of total	2.3%	3.0%	3.0%	2.9%	2.9%	2.5%	
Other purposes^(a)							
Amount	19,152	18,032	18,783	19,698	19,914	18,667	-0.5%
Proportion of total	12.1%	10.9%	11.1%	11.1%	10.6%	9.7%	
Total	158,208	164,897	169,498	178,244	188,266	193,023	

(a) Five-year average annual growth rates are calculated using exponential growth.

(b) ABS number for 'other purposes' adjusted to allow for difference between AIHW estimate of welfare services and the ABS estimate. Other purposes include public debt transactions, general purpose inter-government transactions, natural disaster relief, and other purposes not elsewhere classified.

Sources: Estimate for welfare services expenditure by AIHW; other data from ABS 1998a.



Source: Table 1

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

Between 1991-92 and 1996-97, total government sector outlays in current prices grew at an average annual rate of 4.1% (Table 1). Among the six selected purposes (Figure 2), welfare services had the highest growth of 8.9%, followed by social security benefits (6.7%), health (6.2%), education (4.2%), housing and community amenities (2.5%) and defence (1.9%).

Welfare services expenditure: recurrent and capital

Expenditures are classified as either recurrent (i.e. expenditure to meet the operating costs of providing services), or capital (i.e. outlays in relation to the purchase of and disposal of buildings and capital equipment). The bulk (93.6%) of government sector welfare services expenditure over the period 1991-92 to 1996-97 was for recurrent purposes.

Recurrent expenditure, in constant prices, rose at an average annual rate of 7.8% during the period 1991-92 to 1996-97. However,

growth rates varied for each of the different levels of government (Table 2).

Growth in recurrent expenditure by the Commonwealth Government averaged 12.4% per year, while for State and Territory Governments it was 3.3%, and for local governments it was 39.5%. In 1996-97, for the first time in six years, however, Commonwealth Government recurrent expenditure grew at a lower rate than that of the State and Territory Governments.

From 1991-92 to 1996-97, capital outlays accounted for 6.4% of total government sector expenditure on welfare services. Capital expenditure usually fluctuates from year to year. Capital outlays increased from \$351.3 million in 1991-92 to \$414.2 million in 1992-93, after which they gradually declined to \$263.9 million in 1995-96 and then increased again to \$363.8 million in 1996-97 (Table 3).

Over the whole period, government sector capital outlays, in constant prices, fell by 0.9%—from \$320.3 million in 1991-92 to \$306.4 million in 1996-97 (Table 2). Commonwealth

Government capital outlays fell by 13.9% in the period. Local governments increased their capital outlays, from \$4.3 million in 1991-92 to \$24.6 million in 1996-97.

Government sector welfare services expenditure by source of funds

Over the period 1991-92 to 1996-97, 50.4% of total government sector funding for welfare services was provided by the Commonwealth Government. State and Territory Governments funded 48.1%, while local governments funded 1.5% of expenditure. The share of the Commonwealth Government total outlays increased from 45.3% in 1991-92 to 51.9% in 1996-97, while that of the State and Territory Governments fell from 54.2% to 46.4% (Table 3 and Figure 3).

The contribution by local governments increased from a very low base of 0.5% in 1991-92 to 3.1% in 1995-96. The increase was mainly in Victoria and Queensland. It then declined to 1.7% in 1996-97.

The share of government sector recurrent expenditure for welfare services funded by the Commonwealth Government rose from 43.0% in 1991-92 to 53.5% in 1994-95 and remained around 53.0% until 1996-97. At the same time, the share of the State and Territory Governments fell from 56.6% in 1991-92 to 44.2% in 1995-96 but increased slightly to 45.7% in 1996-97. A large proportion of the increase in Commonwealth Government funding was due to increased childcare assistance.

The Commonwealth Government's share of government sector capital expenditure fluctuated, but displayed a declining trend. The Commonwealth Government's share was 69.9% in 1991-92 and fell to 34.7% in 1996-97. The proportion funded by State and Territory Governments fluctuated over the six-year period, ranging from 28.7% in 1991-92 to 57.3% in 1996-97. Growth in capital expenditure was

Table 2: Government welfare services outlays and growth rates in constant (average 1989–90 prices)^(a), by source of funds, 1991–92 to 1996–97

	Commonwealth Government		State and Territory Governments ^(b)		Local governments ^(b)		Total Government sector	
	Amount (\$'000)	Growth (%)	Amount (\$'000)	Growth (%)	Amount (\$'000)	Growth (%)	Amount (\$'000)	Growth (%)
Recurrent expenditure								
1991–92	1,453,004	..	1,912,988	..	12,527	..	3,378,519	..
1992–93	1,679,935	15.6	2,013,549	5.3	4,637	-63.0	3,698,121	9.5
1993–94	2,056,075	22.4	1,905,751	-5.4	16,938	265.2	3,978,764	7.6
1994–95	2,393,958	16.4	2,026,832	6.4	54,581	222.2	4,475,371	12.5
1995–96	2,526,803	5.5	2,098,501	3.5	124,950	128.9	4,750,253	6.1
1996–97	2,608,578	3.2	2,249,437	7.2	66,126	-47.1	4,924,141	3.7
<i>Average annual growth</i>		12.4		3.3		39.5		7.8
Capital expenditure								
1991–92	223,947	..	92,027	..	4,349	..	320,323	..
1992–93	191,084	-14.7	161,730	75.7	14,798	240.2	367,613	14.8
1993–94	130,773	-31.6	115,883	-28.3	23,944	61.8	270,600	-26.4
1994–95	110,340	-15.6	88,805	-23.4	38,005	58.7	237,149	-12.4
1995–96	78,123	-29.2	121,205	36.5	27,746	-27.0	227,074	-4.2
1996–97	106,230	36.0	175,521	44.8	24,620	-11.3	306,371	34.9
<i>Average annual growth</i>		-13.9		13.8		41.4		-0.9
Total								
1991–92	1,676,951	..	2,005,015	..	16,876	..	3,698,842	..
1992–93	1,871,019	11.6	2,175,279	8.5	19,436	15.2	4,065,734	9.9
1993–94	2,186,848	16.9	2,021,634	-7.1	40,882	110.3	4,249,364	4.5
1994–95	2,504,297	14.5	2,115,637	4.6	92,586	126.5	4,712,520	10.9
1995–96	2,604,926	4.0	2,219,705	4.9	152,696	64.9	4,977,327	5.6
1996–97	2,714,808	4.2	2,424,958	9.2	90,746	-40.6	5,230,512	5.1
<i>Average annual growth</i>		10.1		3.9		40.0		7.2

(a) The Government Final Consumption Expenditure (GFCE) deflator is used to calculate constant price values (see Technical Notes).

(b) Outlays net of transfers from other levels of governments.

Sources: Commonwealth direct outlays: DHHCS 1991 and 1992, DHHLGCS 1993a and 1993b, DSHS 1994 and 1995, DHFS 1996 and 1997a, 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 1997a.

high mainly in the aged and disabled welfare services area.

Capital outlays by local governments were also volatile. Local governments increased their contribution from 1.4% in 1991–92 to 16.0% in 1994–95, mainly in Western Australia. It then fell in the last two years to 8.0% in 1996–97.

Direct expenditure on welfare services by the Commonwealth Government accounted for only 13.8% of its outlays on welfare services over the period (Table 4). The rest (86.2%) was in the form of

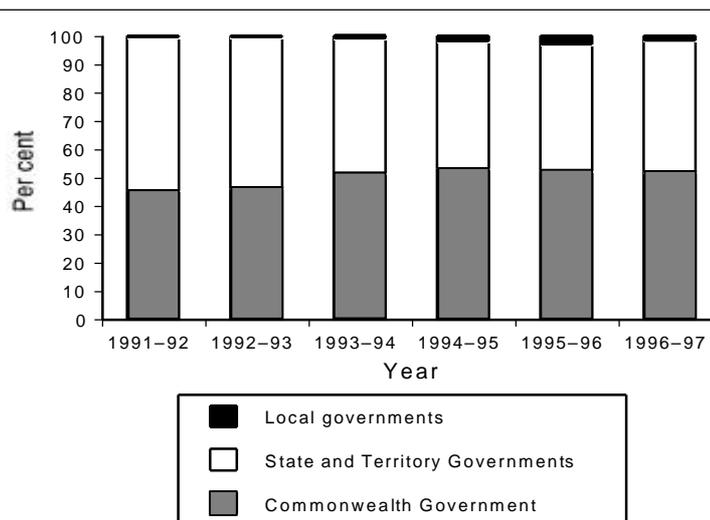
transfers to other levels of government and to NGCSOs. Of these Commonwealth transfers, 57.9% went directly to the NGCSOs, 29.1% to State and Territory Governments, and 12.4% to local governments (Table 4). The State and Territory Governments transfer some of the money received from the Commonwealth Government to local governments and NGCSOs. Likewise, some of the transfers from the Commonwealth Government to local governments are passed on to NGCSOs. 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 NGCSOs out of their own resources.

Between 1991–92 and 1996–97, most of the Commonwealth's transfers for recurrent purposes went directly to the NGCSOs. For every \$1.00 of the Commonwealth Government recurrent transfers, NGCSOs received 56 cents, State and Territory Governments 32 cents, and local government 13 cents.

In the case of funding for capital purposes, for every \$1.00 of the Commonwealth Government capital funding, NGCSOs received 88 cents, State and Territory Governments 6 cents and local governments just over 6 cents.

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 NGCSOs as a provider of services is also evident. The extent of the important role as a provider of welfare services played by NGCSOs is shown in Table 16.



Source: Table 3

Figure 3: Proportion of government sector welfare services expenditure by source of funds, 1991-92 to 1996-97

Table 3: Welfare services outlays in current prices by governments, by source of funds, 1991-92 to 1996-97 (\$'000)

	Commonwealth Government		State and Territory Governments ^(a)		Local governments ^(a)		Total (\$'000)
	Amount (\$'000)	Proportion (%)	Amount (\$'000)	Proportion (%)	Amount (\$'000)	Proportion (%)	
Recurrent expenditure							
1991-92	1,593,495	43.0	2,097,955	56.6	13,738	0.4	3,705,188
1992-93	1,892,762	45.4	2,268,641	54.4	5,225	0.1	4,166,628
1993-94	2,344,817	51.7	2,173,382	47.9	19,317	0.4	4,537,516
1994-95	2,723,811	53.5	2,306,101	45.3	62,102	1.2	5,092,014
1995-96	2,936,764	53.2	2,438,972	44.2	145,222	2.6	5,520,958
1996-97	3,097,742	53.0	2,671,255	45.7	78,526	1.3	5,847,523
<i>Average proportion</i>		50.5		48.3		1.3	
Capital expenditure							
1991-92	245,600	69.9	100,925	28.7	4,770	1.4	351,295
1992-93	215,292	52.0	182,220	44.0	16,673	4.0	414,185
1993-94	149,138	48.3	132,157	42.8	27,306	8.8	308,601
1994-95	125,543	46.5	101,041	37.4	43,241	16.0	269,825
1995-96	90,798	34.4	140,870	53.4	32,248	12.2	263,916
1996-97	126,150	34.7	208,435	57.3	29,237	8.0	363,822
<i>Average proportion</i>		48.3		43.9		7.8	
Total							
1991-92	1,839,095	45.3	2,198,880	54.2	18,508	0.5	4,056,483
1992-93	2,108,054	46.0	2,450,861	53.5	21,898	0.5	4,580,813
1993-94	2,493,955	51.5	2,305,539	47.6	46,623	1.0	4,846,117
1994-95	2,849,354	53.1	2,407,142	44.9	105,343	2.0	5,361,839
1995-96	3,027,562	52.3	2,579,842	44.6	177,470	3.1	5,784,874
1996-97	3,223,892	51.9	2,879,690	46.4	107,763	1.7	6,211,345
<i>Average proportion</i>		50.4		48.1		1.5	

(a) Outlays net of transfers from other levels of governments.

Sources: Commonwealth direct outlays: DHHCS 1991 and 1992, DHHGCS 1993a and 1993b, DSHS 1994 and 1995, DHFS 1996 and 1997a, 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.

Table 4: Commonwealth expenditure and transfer payments in current prices, 1991–92 to 1996–97 (\$'000)

	Commonwealth direct expenditure	Recipients of Commonwealth transfer payments			Total Commonwealth outlays
		State and Territory Governments	Local governments	NGCSOs ^(a)	
Recurrent expenditure					
1991–92	285,101	269,931	212,133	826,330	1,593,495
1992–93	406,400	439,247	245,966	801,149	1,892,762
1993–94	384,865	739,721	268,829	951,401	2,344,817
1994–95	409,754	755,400	278,182	1,280,475	2,723,811
1995–96	311,253	860,724	290,323	1,474,464	2,936,764
1996–97	322,562	856,787	303,169	1,615,224	3,097,742
Capital expenditure					
1991–92	17,358	12,387	15,534	200,321	245,600
1992–93	-	6,578	16,846	191,868	215,292
1993–94	3,629	5,979	5,957	133,573	149,138
1994–95	555	4,100	6,519	114,369	125,543
1995–96	362	9,897	7,221	73,318	90,798
1996–97	8,178	14,791	6,291	96,890	126,150
Total					
1991–92	302,459	282,318	227,667	1,026,651	1,839,095
1992–93	406,400	445,825	262,812	993,017	2,108,054
1993–94	388,494	745,700	274,786	1,084,974	2,493,955
1994–95	410,309	759,500	284,701	1,394,844	2,849,354
1995–96	311,615	870,621	297,544	1,547,782	3,027,562
1996–97	330,740	871,578	309,460	1,712,114	3,223,892

(a) Non-government organisations include for-profit organisations and not-for-profit organisations. It also includes child care cash rebate to individuals who use child care services.

Sources: Commonwealth direct outlays: Table 3; Transfer payments to State and local governments: Department of Finance data base; Transfer payments to NGCSOs; Unpublished DHFS data.

Components of increase in welfare services expenditure

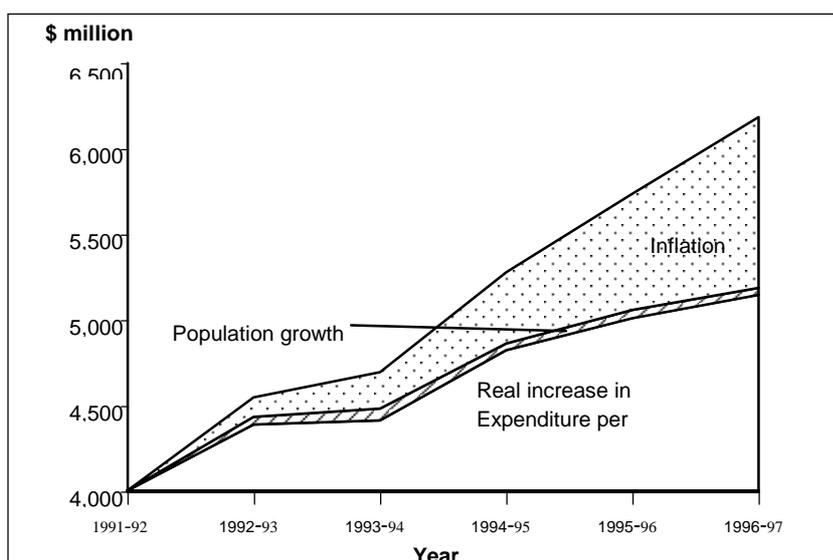
The recent increase in welfare services expenditure can be

analysed in terms of population growth, inflation and real increase in 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.

Over the whole period, total government sector welfare services expenditure in current prices rose by 53.1% (Table 3). The largest component of the increase in welfare services expenditure was the increase in real expenditure per person. Of the total increase, 50.8% was due to an increase in real expenditure per person, 47.4% was due to inflation, and the remaining 1.9% was due to population growth (Figure 4).

Government welfare services expenditure per person, in constant prices, rose by 33.5% over the period, at an average annual rate of 6.0%. The annual growth rate varied and was at its lowest level between 1992–93 and 1993–94 (3.5%). It reached its peak in 1994–95 (9.7%), then dropped to 3.8% in 1996–97 (Table 5).



Sources: Tables 2 and 3

Figure 4: Sources of growth in government sector welfare services expenditure, 1991–92 to 1996–97

Table 5: Per person government sector outlays on welfare services, 1991–92 to 1996–97 in current and constant (average 1989–90) prices (\$)

	Amount (\$)		Rate of growth (%)	
	Current prices	1989–90 prices	Current prices	1989–90 prices
1991–92	233	213	..	..
1992–93	260	231	11.7	8.7
1993–94	273	239	4.7	3.5
1994–95	299	262	9.4	9.7
1995–96	318	274	6.5	4.3
1996–97	337	284	6.0	3.8
<i>Average annual growth</i>			7.7	6.0

Sources: Government outlays: Tables 2 and 3; Population: ABS 1997b.

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

This subsection 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 these expenditures are classified 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 1991–92 to 1996–97, 57.5% of government sector recurrent expenditure on welfare services by the Commonwealth and States and Territories was directed to services for the elderly and young disabled people. Family and child welfare services accounted for 34.0%, and other welfare services for 8.4% (Table 6).

Most of the Commonwealth Government's expenditure was in the form of transfers to other levels

of government and to NGCSOs. The proportions of transfer payments varied from category to category. Transfer payments were highest in the family and child welfare services category, averaging 94.9% during the period 1991–92 to 1996–97. For services for the aged and people with a disability, the proportion of transfer payments during the period was 82.5%. For other welfare services, the proportion of the Commonwealth Government transfer was 59.6% (calculated from Appendix 1).

Table 6: Commonwealth, State and Territory Government recurrent outlays on welfare services in current prices, 1991–92 to 1996–97

Year	Family and child	Aged and disabled (%)	Other welfare	Total (\$ million)
1991–92	30.9	61.2	7.8	3,691
1992–93	31.3	59.5	9.2	4,161
1993–94	33.4	57.6	9.0	4,518
1994–95	34.4	56.7	8.9	5,030
1995–96	36.0	55.6	8.4	5,376
1996–97	36.3	56.3	7.4	5,769
<i>6-year average</i>	<i>34.0</i>	<i>57.5</i>	<i>8.4</i>	

Note: Number may not add to 100% due to rounding.

Sources: Government outlays: Table 3; Population: ABS 1997b.

In the family and child welfare services area, 69.3% of total Commonwealth transfers went to NGCSOs. State and Territory Governments received 10.3% and the remaining 20.4% went to local governments (Table 7). A similar situation applied to welfare services for the aged and people with a disability, i.e. NGCSOs received more grants than State and Territory Governments and local governments. Of the total Commonwealth Government's

transfers during the period, 47.6% went to NGCSOs, 43.8% to the State and Territory Governments, and 8.6% to local governments. For other welfare services, State and Territory Governments received a higher proportion of transfer payments than the rest, averaging 56.7% during the period. NGCSOs received 42.1% and local governments 1.2%. Between 1991–92 and 1996–97, growth in constant prices in the family and child welfare services

category was higher compared with the growth in the other two welfare services categories. Average annual growth in the family and child welfare services category was 11.1%, attributable mainly to an increase in the Commonwealth Government's contribution in the child care area. The average annual growth rate for aged and disabled welfare services was 6.9% while that of other welfare services was 6.4% (Table 8 and Figure 5).

Table 7: Recipients of Commonwealth Government transfer payments, 1991–92 to 1996–97

	State and Territory Governments	Local governments (%)	NGCSOs ^(a)	Total transfer payments (\$ million)
Family and child welfare services				
1991–92	15.7	26.1	58.2	478
1992–93	13.2	26.0	60.8	587
1993–94	11.9	23.0	65.0	723
1994–95 ^(b)	8.9	19.6	71.6	906
1995–96 ^(b)	8.9	17.7	73.3	1,028
1996–97 ^(b)	7.9	16.3	75.9	1,098
6-year average	10.3	20.4	69.3	
Aged and disabled welfare services				
1991–92	20.1	11.2	68.7	767
1992–93	38.7	11.2	50.2	825
1993–94	53.0	8.8	38.1	1,146
1994–95	48.5	7.6	43.9	1,313
1995–96	46.9	7.3	45.7	1,461
1996–97	44.5	7.9	47.6	1,561
6-year average	43.8	8.6	47.6	
Other welfare services				
1991–92	64.0	1.7	34.4	64
1992–93	57.7	1.4	40.9	74
1993–94	50.3	1.2	48.5	91
1994–95	40.7	0.9	58.3	94
1995–96	60.7	0.9	38.4	136
1996–97	65.5	1.2	33.3	115
6-year average	56.7	1.2	42.1	

(a) The term 'non-government community services organisations' includes for-profit and not-for-profit non-government organisations. It also includes child care cash rebate to individuals who use child care services.

(b) From July 1994, users of child care services have been entitled to claim a child care cash rebate from the Commonwealth Government. The amounts of child care cash rebate to individuals are included in the NGCSO column from 1994–95 onward.

Source: Table 4

For all three welfare services categories, the Commonwealth Government increased its total expenditure each year. The component of its spending, however, varied from year to year. In the aged and disabled welfare services and the other welfare services categories, the Commonwealth Government *direct* expenditure could be low in some years but high in the other years. For the years when its direct expenditure was low, the Commonwealth Government transferred more funding to either other levels of governments or to NGCSOs. For the years when its direct expenditure was relatively high, either other levels of governments or NGCSOs received less funding from the Commonwealth Government (Appendix 1). The Commonwealth Government expenditure growth was higher than that of the State and Territory

Governments. Growth in Commonwealth Government expenditure on family and child welfare averaged 16.2%, compared with 6.3% for State and Territory Governments. For aged and disabled welfare services, growth in Commonwealth Government expenditure was 10.7% while that of the State and Territory Governments was 1.5%. For other welfare services, growth in Commonwealth Government expenditure was 8.3% while that of State and Territory Governments was 5.1%.

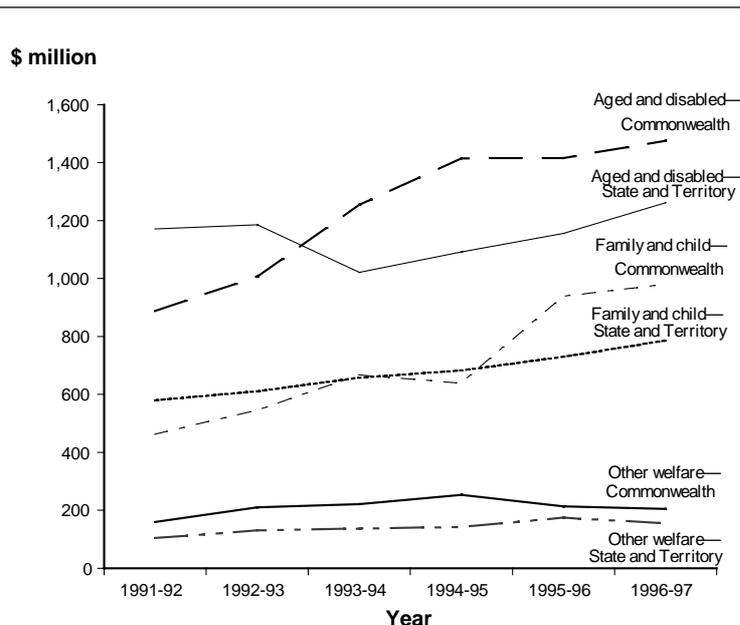
Changes in welfare services expenditure by the Commonwealth Government between 1995–96 and 1996–97

Family and child welfare services

During the 1990s there has been a significant growth in children's

services. Child care services expenditure rose significantly, due to additional child care places and an increasing number of children in child care under the Children's Services Program (CSP). Between 1991–92 and 1995–96, the number of child care places funded through the CSP increased from 168,276 to 306,575, while the number of children rose from 262,200 to 570,300, and expenditure rose from \$401.4 million to \$854.4 million (AIHW 1997).

This trend continued in 1996–97. There were 19,000 new long day care places created (DHFS 1997a, p. 139). The number of families claiming and receiving the Commonwealth Childcare Cash Rebate increased from 310,568 in 1995–96 to 394,550 in 1996–97. Payments by the Health Insurance Commission (HIC) for this rebate increased slightly from \$121.4 million in 1995–96 to \$129.7 million in 1996–97 (DHFS 1997b).



Source: Table 8

Figure 5: Expenditure in constant (average 1989-90) prices in three welfare services categories by the Commonwealth Government and State and Territory Governments, 1991-92 to 1996-97

Aged and disabled welfare services

In the early 1990s, some of the increase in expenditure by the Commonwealth Government 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 concessions on electricity and rates for pensioners. Between 1995-96 and 1996-97, the increase was due largely to the following:

- a 52.8% increase in expenditure on Community Age Care Packages;
- a 14.5% increase in hostel and personal care subsidies;
- an 8.3% increase in HACC expenditure for the aged;
- funding was made available for open employment and business

services to provide employment assistance to an additional 1,134 people with disabilities; and

- a 2.1% increase in CSDA payments (DHFS 1997a).

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 and Torres Strait Islander people's welfare, assistance with rates and other concessions (other than those for older people or people with a disability), premarital education, counselling, and migrant assistance.

Between 1995-96 and 1996-97, Commonwealth Government expenditure in this area declined by 10.8% due mainly to a fall in expenditure on the supported accommodation assistance program from \$137.7 million in 1995-96 to \$127.6 million in 1996-97 (DHFS 1997a: 154).

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 NGCSO involvement;
- the impact of the recession;
- population size;
- the age/sex structure;
- the distribution of the Aboriginal and Torres Strait Islander population; and
- the boundaries around what are classified as 'welfare services'.

These factors not only contribute to variations between States and Territories, but some of these factors also present problems in analysing trends over time for particular States and Territories.

Distribution of welfare services expenditure

The distribution of expenditure across the three welfare services categories varied significantly between jurisdictions (Table 9 and Figure 6). The Northern Territory had the highest proportion of expenditure (including Commonwealth transfers) on family and child welfare services in the six years from 1991-92 to 1996-97, at 42.8%. Queensland had the smallest proportion of total welfare services expenditure in the family and child welfare services area. Victoria had the highest proportion of expenditure on aged and

Table 8: Commonwealth, State and Territory Government recurrent outlays on welfare services in constant (average 1989–90) prices, 1991–92 to 1996–97 (\$'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	NGCSOs ^(a)			
Family and child welfare services							
1991–92	25,189	68,294	113,892	253,441	460,816	579,420	1,040,236
1992–93	21,706	68,755	135,577	316,751	542,789	610,414	1,153,203
1993–94	31,456	75,634	146,108	412,227	665,425	657,469	1,322,894
1994–95	40,654	70,669	155,811	570,073	837,207	682,246	1,519,453
1995–96	52,349	79,082	156,661	648,400	936,493	729,812	1,666,305
1996–97	53,031	72,750	150,316	701,929	978,026	785,849	1,763,875
<i>Average annual growth rate^(b)</i>	16.1%	1.3%	5.7%	22.6%	16.2%	6.3%	11.1%
Aged and disabled welfare services							
1991–92	188,832	140,482	78,571	479,959	887,843	1,170,937	2,058,781
1992–93	274,636	283,140	81,805	367,425	1,007,005	1,185,320	2,192,326
1993–94	249,444	532,913	88,643	383,326	1,254,326	1,021,763	2,276,089
1994–95	260,234	559,477	87,908	506,994	1,414,614	1,091,593	2,506,207
1995–96	158,690	590,247	92,063	575,147	1,416,147	1,155,713	2,571,860
1996–97	160,259	585,168	103,837	625,887	1,475,151	1,261,318	2,736,469
<i>Average annual growth rate^(b)</i>	-3.2%	33.0%	5.7%	5.5%	10.7%	1.5%	5.9%
Other welfare services							
1991–92	45,944	37,357	967	20,077	104,345	159,497	263,841
1992–93	64,362	37,962	927	26,890	130,140	210,140	340,280
1993–94	56,573	40,084	974	38,692	136,323	221,416	357,740
1994–95	59,245	33,775	774	48,342	142,137	253,273	395,409
1995–96	56,765	71,241	1,070	45,087	174,163	213,519	387,682
1996–97	58,337	63,574	1,142	32,348	155,400	204,720	360,121
<i>Average annual growth rate^(b)</i>	4.9%	11.2%	3.4%	10.0%	8.3%	5.1%	6.4%
Total welfare services							
1991–92	259,965	246,132	193,430	753,476	1,453,004	1,909,854	3,362,858
1992–93	360,703	389,857	218,309	711,066	1,679,935	2,005,874	3,685,809
1993–94	337,473	648,631	235,725	834,245	2,056,075	1,900,648	3,956,723
1994–95	360,133	663,921	244,494	1,125,409	2,393,958	2,027,112	4,421,070
1995–96	267,804	740,570	249,795	1,268,634	2,526,803	2,099,044	4,625,847
1996–97	271,627	721,492	255,296	1,360,164	2,608,578	2,251,886	4,860,465
<i>Average annual growth rate^(b)</i>	0.9%	24.0%	5.7%	12.5%	12.4%	3.3%	7.6%

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

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

Sources: Government outlays: Table 4; Deflators: ABS 1997a.

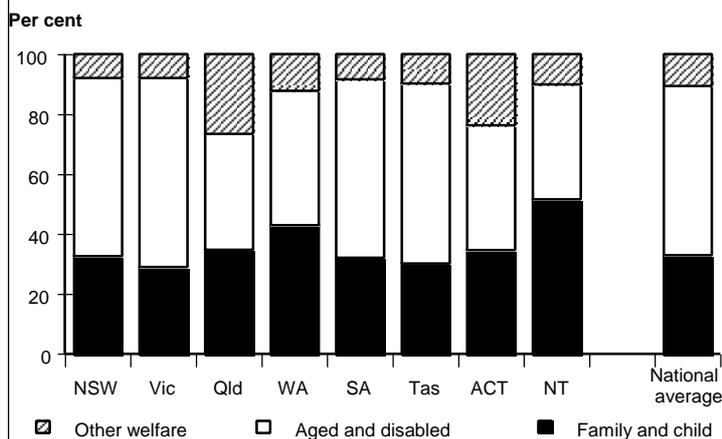
disabled welfare services (66.9%), while the Northern Territory had the lowest proportion with 42.0%. The Australian Capital Territory had the highest proportion of expenditure on other welfare services averaging 25.7% during the six year period, compared with the national average of 11.5% per year. The bulk of total State and Territory Government recurrent welfare services expenditure (62.2%) was directed at aged and disabled welfare services. This was followed by expenditure on family and child welfare services (26.3%) with other welfare services accounting for the remaining 11.5%.

Per person expenditure

On a per person basis, the Northern Territory Government's recurrent expenditure on welfare services has been higher than that of other States or Territories since 1992–93. In 1996–97, the Northern Territory spent \$213 per person from its own funds, well in excess of the national average of \$145. When Commonwealth transfers are included, the Northern Territory's expenditure on welfare was \$266 per person, followed by Tasmania with \$251 and Victoria and South Australia both on \$227. Queensland had the lowest spending of all jurisdictions throughout the period

1991–92 to 1996–97. The Queensland Government's spending in 1996–97 was \$75 per person in net terms and \$121 gross of Commonwealth transfers, compared with the national average figures of \$145 and \$197. However, Queensland's per person gross expenditure on welfare services grew at the highest rate with an average annual growth of 10.9% between 1991–92 and 1996–97 (Figure 7 and Tables 10 and 11).

The rate of growth in expenditure per person, in constant prices, varied from State to State. Average annual growth in expenditure including Commonwealth transfers,



Source: Commonwealth Grants Commission unpublished data

Figure 6: Average proportion of welfare services expenditure funded by State and Territory Governments by three welfare services categories, 1991-92 to 1996-97

ranged from 2.7% for Western Australia to 9.0% for Queensland between 1991-92 and 1996-97. This compared with the national average of 5.4%. The States and Territories with above average growth rate were New South Wales, Queensland, Tasmania, Australian Capital Territory, and Northern Territory (Table 12). When Commonwealth Government transfers were removed, expenditure in all States and Territories grew at a much lower rate averaging 2.2% – ranging from a 2.3% reduction for South Australia to a growth of 6.1% for the Northern Territory. The States having below average growth rate were Western Australia and South Australia (Table 13).

Table 9: State and Territory Government recurrent welfare services expenditure including Commonwealth transfers in current prices, 1991-92 to 1996-97

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)
Family and child welfare services									
					%				
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	36.8	33.9	23.8	20.7	39.7	25.7
1993-94	25.7	24.2	22.0	34.0	28.9	23.6	16.9	42.3	26.1
1994-95	25.8	21.3	21.4	35.8	28.6	24.8	41.6	40.0	25.8
1995-96	23.8	24.3	22.8	34.9	32.0	26.5	30.8	43.1	26.2
1996-97	23.9	24.7	26.6	40.8	26.3	24.4	33.2	45.2	26.8
Average 1991-92 to 1996-97	25.0	24.1	22.7	35.7	30.2	22.8	27.8	42.8	26.3
Aged and disabled welfare services									
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	51.1	55.1	66.8	49.5	41.3	62.2
1993-94	63.9	64.9	58.0	55.0	60.0	66.4	50.9	46.9	61.9
1994-95	64.3	69.1	55.2	50.6	61.9	65.6	36.4	41.2	62.2
1995-96	66.8	66.4	55.3	52.0	60.2	61.6	46.1	43.4	62.3
1996-97	68.1	66.8	53.6	46.8	67.1	61.5	41.6	44.4	62.9
Average 1991-92 to 1996-97	65.4	66.9	55.0	51.4	60.6	65.6	46.5	42.0	62.2
Other welfare services									
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	9.3	29.8	19.0	12.1
1993-94	10.4	10.9	20.1	11.0	11.1	9.9	32.2	10.7	12.0
1994-95	9.8	9.6	23.4	13.7	9.5	9.6	21.9	18.8	12.0
1995-96	9.4	9.3	21.9	13.1	7.8	11.9	23.0	13.5	11.5
1996-97	8.0	8.5	19.8	12.4	6.5	14.0	25.1	10.4	10.3
Average 1991-92 to 1996-97	9.6	9.0	22.4	12.9	9.2	11.5	25.7	15.2	11.5
Total welfare services expenditure					\$ million				
1991-92	818	739	216	263	256	71	40	29	2,435
1992-93	898	890	292	275	247	99	50	34	2,786
1993-94	954	940	301	312	300	100	52	40	2,938
1994-95	1,055	904	352	318	300	102	64	44	3,139
1995-96	1,119	970	416	347	321	104	62	45	3,385
1996-97	1,257	1,039	408	351	335	119	67	49	3,625

(a) 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 1997b; Welfare services expenditure: Commonwealth Grants Commission unpublished data; Transfer payments: Department of Finance data base.

Table 10: Per person recurrent expenditure on welfare services by State and Territory Governments' own funds, 1991-92 to 1996-97 in current prices (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1991-92	117	146	61	143	149	133	118	146	121
1992-93	124	165	65	145	136	167	137	170	129
1993-94	106	168	55	152	140	155	139	188	122
1994-95	127	155	67	150	132	160	173	196	128
1995-96	130	165	76	155	139	158	166	202	134
1996-97	149	179	75	155	145	179	178	213	145
<i>Average annual growth rate (%)</i>	4.9	4.1	4.4	1.6	-0.5	6.1	8.6	7.9	3.8

Source: Table 9

Table 11: Per person State and Territory Government recurrent expenditure on welfare services including Commonwealth transfers, 1991-92 to 1996-97 in current prices (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1991-92	138	166	72	160	177	152	137	171	140
1992-93	150	199	95	165	169	210	168	200	158
1993-94	158	210	96	185	205	211	174	232	169
1994-95	173	201	109	185	204	216	212	249	175
1995-96	181	214	126	198	218	219	204	251	186
1996-97	201	227	121	197	227	251	217	266	197
<i>Average annual growth rate (%)</i>	7.8	6.4	10.9	4.3	5.1	10.5	9.6	9.3	7.1

Source: Table 9

Table 12: Per person State and Territory Government recurrent expenditure on welfare services including Commonwealth transfers, 1991-92 to 1996-97 in constant (average 1989-90) prices (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1991-92	124	152	66	147	162	138	128	160	128
1992-93	133	172	86	150	152	186	152	181	141
1993-94	141	180	84	164	175	185	151	208	148
1994-95	153	176	96	164	176	191	185	221	154
1995-96	158	182	108	171	185	190	173	219	160
1996-97	172	189	102	168	189	208	176	230	166
<i>Average annual growth rate (%)</i>	6.7	4.4	9.0	2.7	3.2	8.5	6.7	7.6	5.4

Sources: Expenditure and population: Table 9; Deflators: ABS 1997a.

Table 13: Per person recurrent expenditure on welfare services by State and Territory Governments' own funds, 1991-92 to 1996-97 in constant (average 1989-90) prices (\$)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
1991-92	105	133	56	132	136	121	109	136	110
1992-93	111	142	58	132	122	149	124	154	114
1993-94	95	144	49	134	119	136	121	169	107
1994-95	113	136	59	133	113	141	152	175	113
1995-96	113	141	65	134	118	137	141	176	115
1996-97	127	149	64	132	121	148	145	184	122
<i>Average annual growth rate (%)</i>	3.8	2.3	2.7	0.1	-2.3	4.2	5.7	6.1	2.2

Source: Table 12

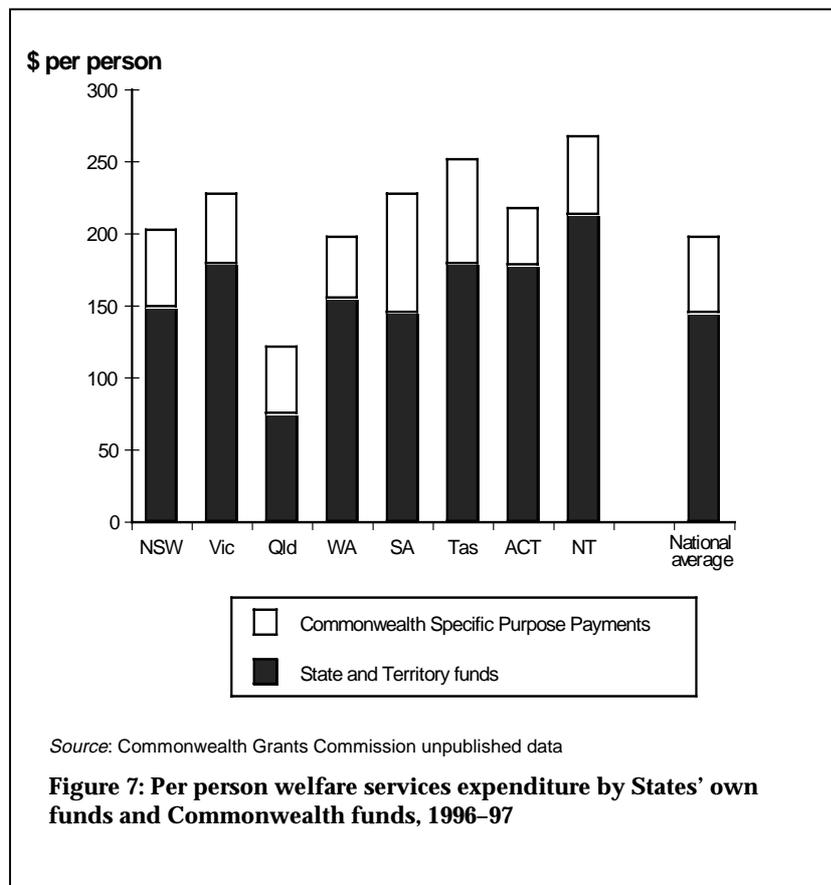


Figure 7: Per person welfare services expenditure by States' own funds and Commonwealth funds, 1996-97

Changes in welfare services expenditure between 1995-96 and 1996-97

Between 1995-96 and 1996-97, Tasmania was the only State with positive growth rates in all three welfare services expenditure areas. The growth in expenditure on other welfare services was particularly high at 35.8% compared with the national average of -4.4%. The States and Territories having rates of growth of total welfare services expenditure above the national average were New South Wales, Tasmania, the Australian Capital Territory and the Northern Territory (Table 14). Total welfare services expenditure for all States combined grew by 7.1% between 1995-96 and 1996-97. The all-States combined expenditure on family and child welfare services increased by 9.4% during the year. Expenditure on aged and disabled welfare services rose by 8.3%, while total State expenditure on other welfare services fell by 4.4%. For all States,

except South Australia, expenditure on family and child welfare services rose between 1995-96 and 1996-97, with the highest increase in Western Australia (18.2%). Most jurisdictions also increased their gross recurrent expenditure on aged and disabled welfare services, the exceptions being Queensland, Western Australia and the Australian Capital Territory. Expenditure on other welfare services fell across the board except in Tasmania and the Australian Capital Territory where they increased by 35.8% and 17.1% respectively. In terms of total welfare services, all States and Territories except Queensland, spent more in 1996-97 compared with the previous year.

The changes in recurrent welfare services expenditure between 1995-96 and 1996-97 at the State and Territory level are discussed below:

New South Wales

Between 1995-96 and 1996-97, New South Wales had an overall increase

in welfare services expenditure of 12.3%. Growth rates were high in the family and child and aged and disabled welfare services areas, which more than offset the decline in expenditure in the other welfare services area of 4.9%. In the family and child welfare services area, an additional \$1.5 million was appropriated to provide individual support packages for children with high needs during 1996-97.

Victoria

In 1996-97, Victoria had an overall increase in welfare services expenditure of 7.1%, which was the average change across all jurisdictions. The 7.1% was made up of an increase of 9.2% in the family and child welfare services area, an increase of 7.8% for aged and disabled welfare services and a 2.7% drop in funding for other welfare services. In the aged and disabled welfare services area, three new major initiatives to benefit people with a disability commenced during 1996-97. They were the State Plan for Intellectual Disability Services 1996-99 (\$1.9 million over three years); Victoria's Carers Initiatives (around \$4 million) and Futures for Young Adults (\$18.9 million).

Queensland

In 1996-97, welfare services expenditure in Queensland declined by 1.9%. Family and child welfare services was the only area where funding increased with the Queensland Government spending an additional 14.0%, compared with the level of funding in 1995-96. Offsetting this increase were expenditure declines for both aged and disabled welfare services and other welfare services (-4.9% and -11.2% respectively). A highlight of the year in the family and child welfare area was the introduction of a new three year, \$10.7 million package of child care initiatives. The package features enhancements to outside school hours care facilities and to services for families with young children in rural and remote parts of Queensland.

Western Australia

In 1996–97, an overall low rate of growth of 1.1% was due to a drop in expenditure for the aged and disabled of 9.0% and for other welfare services of 4.7%. Offsetting these declines was a high growth rate in the family and child welfare services area of 18.2%. In 1996–97, the Western Australian Department of Family and Community Services funded 242 non-government children's services and more than 60 non-government family support services and community neighbourhood houses.

South Australia

In 1996–97, there was a 4.1% increase in expenditure on total welfare services. This was due to a high growth rate of 16.2% in the aged and disabled welfare services area, which offset funding cuts for family and child and other welfare services (–14.4% and –12.7% respectively). In the aged and disabled welfare services area, the rise was mainly for HACC services

Tasmania

Tasmania was the only jurisdiction where expenditure increased across all three areas of welfare services between 1995–96 and 1996–97. Total welfare services expenditure rose by 14.7%, the highest of all States and Territories and more than double the national average of 7.1%. The largest growth occurred in the other welfare services area (35.8%), followed by aged and disabled welfare services with 14.5% and family and child welfare services (5.6%). The large increase in expenditure on other welfare services category resulted from State government compensation awarded to victims of the Port Arthur tragedy in April 1996. Furthermore, there was a funding boost for supported accommodation assistance.

Australian Capital Territory

In 1996–97, the overall increase in welfare services expenditure by the Australian Capital Territory Government was 7.3%, with high growth rates in the family and child

and other welfare services areas (15.6% and 17.1% respectively). A new family and child welfare initiative was launched during 1996–97 called the Youth Health Policy, aimed at providing strategic direction for improving the accessibility and appropriateness of health services for young people in the territory. The Australian Capital Territory was one of three States where expenditure on aged and disabled welfare services declined during 1996–97.

Northern Territory

In 1996–97, Northern Territory had an overall growth in welfare services expenditure of 9.1%, 2 percentage points above the national average. A large drop in expenditure of 15.9% on other welfare services was offset by increases in expenditure in the other two areas. In the family and child welfare services area, there was a 16% increase in the number of formal long day childcare places in 1996–97, coupled with a rise in expenditure on the Child Day Care Subsidy.

Table 14: Changes in State and Territory Government recurrent welfare services expenditure including Commonwealth transfers in current prices, 1991–92 to 1996–97 (%)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Family and child welfare services									
1991–92 to 1992–93	0.8	6.4	13.0	19.9	3.8	139.7	9.4	1.3	8.4
1992–93 to 1993–94	12.1	9.4	14.8	4.7	3.4	0.2	–14.3	25.7	8.9
1993–94 to 1994–95	11.1	–15.5	13.7	7.5	–1.1	8.0	202.1	3.0	3.6
1994–95 to 1995–96	–2.3	22.3	26.4	6.3	20.2	8.3	–27.9	11.8	9.6
1995–96 to 1996–97	12.6	9.2	14.0	18.2	–14.4	5.6	15.6	14.4	9.4
Aged and disabled welfare services									
1991–92 to 1992–93	13.1	18.0	59.1	1.5	–10.5	28.4	13.7	42.4	15.3
1992–93 to 1993–94	3.5	3.3	2.4	21.9	32.1	0.4	7.7	33.9	7.3
1993–94 to 1994–95	11.2	2.5	11.6	–6.2	3.1	1.4	–12.0	–4.4	5.1
1994–95 to 1995–96	10.1	3.0	18.2	12.1	4.3	–4.8	23.1	9.4	7.9
1995–96 to 1996–97	14.6	7.8	–4.9	–9.0	16.2	14.5	–3.1	11.7	8.3
Other welfare services									
1991–92 to 1992–93	10.2	114.4	10.7	–16.0	14.7	–10.5	67.2	19.1	24.6
1992–93 to 1993–94	10.0	11.4	–6.3	2.9	21.5	7.8	13.2	–33.3	6.7
1993–94 to 1994–95	5.1	–15.3	36.5	26.5	–14.1	–1.0	–16.4	91.4	4.7
1994–95 to 1995–96	1.9	4.4	10.5	4.6	–12.1	25.5	2.2	–25.7	3.6
1995–96 to 1996–97	–4.9	–2.7	–11.2	–4.7	–12.7	35.8	17.1	–15.9	–4.4
Total welfare services									
1991–92 to 1992–93	9.6	20.5	35.2	4.7	–3.7	38.1	24.6	18.8	14.4
1992–93 to 1993–94	6.2	5.5	2.9	13.3	21.2	1.1	4.8	17.9	7.6
1993–94 to 1994–95	10.5	–3.8	17.0	2.1	0.0	2.7	22.8	9.0	4.7
1994–95 to 1995–96	6.1	7.3	18.1	9.0	7.3	1.3	–2.7	3.8	7.8
1995–96 to 1996–97	12.3	7.1	–1.9	1.1	4.1	14.7	7.3	9.1	7.1

Source: Table 9

Table 15: Sources of recurrent income^(a), all government-funded NGCSOs, 1992-93 to 1996-97

	1992-93		1993-94		1994-95		1995-96		1996-97	
	\$m	%	$m	%	$m	%	$m	%	$m	%
Government funding ^(b)	1,846	44.1	2,074	45.3	2,134	45.0	2,325	45.4	2,493	43.7
NGCSO funding ^(c)	934	22.3	990	21.6	1,046	21.9	1,049	20.4	1,125	19.7
Client fees										
• Child care	903	21.6	971	21.2	1,049	22.0	1,146	22.3	1,378	24.2
• Other ^(d)	504	12.0	540	11.8	545	11.4	618	12.0	705	12.4
Total	4,187	100.0	4,575	100.0	4,775	100.0	5,138	100.0	5,701	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 1997c; Government funding: ABS unpublished data and DHFS various years; 1994-95 to 1996-97: estimated by AIHW.

Estimates of the funding of the non-government community services organisations

The non-government community services organisations (NGCSOs) include the for-profit organisations and the not-for-profit organisations. Measured in terms of expenditure, a significant proportion (9.6%) of welfare services are provided by the for-profit organisations (ABS 1998c: 9)¹. Unlike the not-for-profit organisations where donations are a significant proportion of their income used in funding their operation, the operating costs of the for-profit organisations are funded mainly by clients, in the form of fees for services, and grants from governments. However, the proportion of funding from their own sources of income is not insignificant. In this issue, estimates of funding from NGCSOs' own sources of income (both for-profit and not-for-profit organisations) were made for child care services in addition to their contribution to other welfare services (Table 15).

NGCSO recurrent expenditure was estimated to have increased at an average annual rate of 8.0% from \$4,187 million in 1992-93 to \$5,701

million in 1996-97 (Table 15). The sources of funding of NGCSOs' recurrent expenditure are governments, NGCSOs' own sources of income, and clients' contribution. Over the five years from 1992-93 to 1996-97, 44.6% of their expenditure was funded by governments, 21.1% from the NGCSOs' own source of income, and 34.2% from client fees.

The proportion of government funding to NGCSOs fell from 44.1% in 1992-93 to 43.7% in 1996-97. The proportion of NGCSOs' funding from their own income fell from 22.3% in 1992-93 to 19.7% in 1996-97. The proportion of client fees for child care services displayed an increasing trend, from 21.6% in 1992-93 to 24.2% in 1996-97, while that of welfare services other than child care fluctuated ranging from 11.4% in 1994-95 to 12.4% in 1996-97.

Of the \$2.1 billion worth of client fees in 1996-97, 66.1% was fees charged for child care services. Aged care services, mainly hostels, accounted for 20.5%. The remaining 13.5% was fees for services provided to people with a disability, and other welfare services.

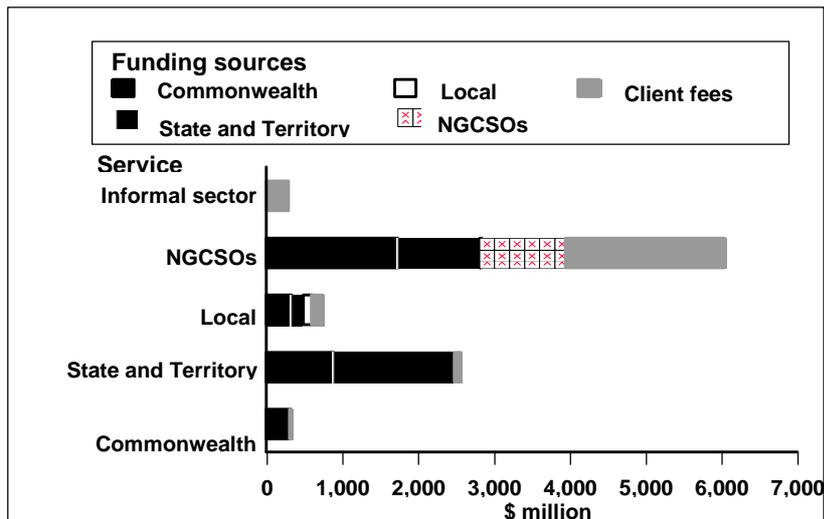
The data displayed in Table 15 do not provide a complete picture of the non-government sector's contribution to welfare services for three major reasons. First, some of the non-government-funded organisations are not covered. The

size of the non-government funded organisations and their contribution could be estimated from the 1995-96 Community Services Industry Survey (ABS 1998c). Special cross tabulation of non-government funded organisations by source of income from this survey will be used to make estimates of this contribution. Second, capital expenditure by these NGCSOs (e.g. hostel services) was not included. Third, the not-for-profit organisations manage and arrange 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 on-costs related to employment of welfare service workers that would have to be paid if they provided all welfare services themselves. The estimates of NGCSO own income and client fees in Table 15, therefore, are conservative.

Funding and provision of welfare services

In 1996-97, the government sector funded a total of \$6.2 billion of welfare services expenditure. Only 58.1% was for services provided by the government sector itself; the remaining 41.9% was transferred to NGCSOs which then used these funds to provide services to the

¹ Excludes intensive residential care.



Source: Table 16

Figure 8: Funding and provision of welfare services by government and non-government sectors, total expenditure, 1996-97

community (Table 16 and Figure 8). Among the three levels of government, the Commonwealth

Government was predominantly a funder of services rather than a provider of services. Of the \$3.2

billion funded by the Commonwealth Government, only 3.4% was for direct services provided to the community; the rest (96.6%) was transferred to the other two levels of government and NGCSOs. State and Territory Governments spent \$2.5 billion on direct services but funded \$2.9 billion, 38.2% of which went to NGCSOs. Local governments are predominantly providers of services. They funded \$108 million, but provided \$725 million worth of services.

NGCSOs were predominantly providers of services, providing 60.8% worth of the total value of services. Government agencies provided 36.5% worth of the total value of services, with State and Territory Government agencies playing a more dominant role than the other two levels of government. The remaining 2.7% of the total value of services was provided by the informal sector.

Table 16: Funding and provision of welfare services, 1996-97 (\$ million)

Provider of services	Source of funds					Total	Proportion of service provision %
	Commonwealth Government	State and Territory Governments	Local governments	NGCSOs ^(a)	Client fees		
Government							
• Commonwealth Government	331	–	–	–	9	339	3.4
• State and Territory Governments	872	1,602	–	–	74	2,547	25.7
• Local governments	309	179	104	–	133	725	7.3
<i>Total Government</i>	<i>1,512</i>	<i>1,781</i>	<i>104</i>	<i>–</i>	<i>215</i>	<i>3,612</i>	<i>36.5</i>
NGCSOs	1,712	1,099	4	1,125	2,083	6,023	60.8
Informal sector	–	–	–	–	272	272	2.7
Total for all sectors	3,224	2,880	108	1,125	2,571	9,907	100.0
<i>Proportion of funding (%)</i>	<i>32.5</i>	<i>29.1</i>	<i>1.1</i>	<i>11.4</i>	<i>25.9</i>	<i>100.0</i>	

(a) Profit from sale of assets are included but not the value of the assets sold.

Sources: Tables 3 and 15.

Total welfare services expenditure

Welfare services expenditure as a proportion of GDP increased from

1.7% in 1991-92 to 1.8% in 1992-93, stayed at that level to 1995-96 and increased to 1.9% in 1996-97. 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 17.

Total welfare services expenditure per person rose in current prices from \$380 in 1991-92 to \$538 in 1996-97. This was a real increase of 5.5% annually (Table 18).

Table 17: Welfare services expenditure and Gross Domestic Product in current prices, 1991–92 to 1996–97

	Government sector				Non-government sector			Total welfare services expenditure	GDP	Total welfare services expenditure as % of GDP
	Common-wealth Government	State and Territory Government	Local government	Total government	NGCSOs	Clients	Total non-government			
	\$ million									
1991–92	1,839	2,199	19	4,056	779 ^(a)	1,769	2,548	6,604	389,469	1.7
1992–93	2,108	2,451	22	4,581	934	1,865	2,799	7,380	407,952	1.8
1993–94	2,494	2,306	47	4,846	990	1,968	2,958	7,804	432,436	1.8
1994–95	2,849	2,407	105	5,362	1,046	2,046	3,092	8,454	460,292	1.8
1995–96	3,028	2,580	177	5,785	1,049	2,194	3,243	9,028	491,934	1.8
1996–97	3,224	2,880	108	6,211	1,125	2,571	3,696	9,907	517,401	1.9

(a) Estimates of contribution by NGCSOs for 1991–92 was made using the average ratio of NGCSOs' contribution to total government sector outlays for the period from 1992–93 to 1996–97.

Sources: Government sector, Table 3; Non-government sector, Table 15; GDP, ABS 1998b.

Table 18: Per person welfare services expenditure, 1991–92 to 1996–97 in current and constant (average 1989–90) prices

	Amount (\$)		Rate of growth (%)	
	Current prices	1989–90 prices	Current prices	1989–90 prices
1991–92	380	346	..	..
1992–93	420	372	10.5	7.6
1993–94	439	385	4.7	3.4
1994–95	471	414	7.1	7.4
1995–96	496	427	5.4	3.2
1996–97	538	453	8.4	6.1
<i>Average annual growth</i>			7.2	5.5

Sources: Table 17; Population: ABS 1997b.

Technical notes

1. Revisions

Revisions are made when:

- more detailed information is made available, e.g. the detailed split of capital and recurrent of some expenditure items in the aged care area;
- estimation methods improve, e.g. estimation of child care client fees; and
- the ABS and/or the CGC revise their data.

In this issue, revisions to previous bulletins were made in the following areas:

Government sector

Commonwealth Government – Family and child welfare services

In earlier Bulletins, all expenditure on the Supported Accommodation Assistance Program (SAAP) was included in the other welfare

services category. DHFS provided the notional split of target SAAP clients. DHFS expenditure on SAAP for youth and for families is therefore obtained by multiplying the proportion of clients in the youth and family categories to total DHFS SAAP expenditure. The result was higher expenditure on 'welfare services for family and children' by both the Commonwealth Government and the State and Territory Governments, and a corresponding decline in expenditure on other welfare.

Another major revision was the inclusion of child care cash rebates in the family and child welfare services category. The Commonwealth child care cash rebate scheme commenced in July 1994. Unlike other kinds of personal benefits where cash are provided to beneficiaries who are entitled to receive them on the grounds of certain characteristics (e.g. disabled, veterans, and job search), child care

cash rebates are given to users of child care services after the services have been rendered to them. Users of child care services pay for the services at a subsidised rate funded by the Commonwealth Government.

Commonwealth Government – welfare services for the aged and people with a disability

In Bulletin No. 3, expenditure on aged care by DHFS was compiled from various Sections in the Aged and Community Care Division including the Budget Section. Some figures obtained from the Budget Section were different from those obtained from other Sections in the Division. It was advised that figures compiled by the Budget Section were final figures and were therefore more accurate. Therefore, figures used in this issue are those compiled by the Budget Section.

HACC is one of the difficult expenditure items to estimate because HACC expenditure appears in three programs for years prior to

1996–97, and in two programs in 1996–97. The three programs are post-acute care, aged care, and disability programs. In 1996–97, HACC expenditure appears in the aged care and the disability programs only. HACC expenditure in the aged care and the disability programs consists of a health services component and a welfare services component. It also includes both capital and recurrent expenditure. In the previous issue, HACC expenditure for health purposes was assumed to be recurrent expenditure and for services provided to the aged. With the new estimation method, the HACC health component is allocated to the aged and the disabled separately. An attempt has also been made to allocate the capital component of HACC to health and to welfare.

State and Territory Government

The Commonwealth Grants Commission revise data each year, as more up-to-date information becomes available. The extent to which revisions are made varies from State to State and from year to year. Since the publication of Bulletin No. 3, revisions were made to the data for New South Wales, Queensland, Western Australia, Tasmania and the Australian Capital Territory—ranging from a decrease of 19.1% in Tasmania to an increase of 0.4% in the ACT for the 1992–93 to 1995–96 data.

Expenditure on SAAP by State and Territory Governments was also broken down into SAAP for family, youth and child welfare services and SAAP for women, men and others. The proportion of SAAP clients by State and Territory was taken from Australia's Welfare 1995 (AIHW 1995) and Australia's Welfare 1997 (AIHW 1997) which gave the proportion of SAAP clients by State and Territory.

Local government

The ABS revises its data when more up-to-date information is made available to them. For some years expenditure by local governments were revised downward, but for some years they were revised

upwards. The average revision for 1992–93 to 1995–96 between the 1997 ABS database and the 1998 ABS database was an increase of 2.8% for recurrent expenditure and 2.3% for capital expenditure.

Government fee charges

Fees charged by government agencies were derived from the ABS public finance ETF code 1121 (General Government Charges for Goods and Services). The extent of the revision varies from State to State and from year to year.

For the Commonwealth Government, an upward revision of 0.1% was made to the 1995–96 data only. For State and Territory Governments, New South Wales, Victoria, South Australia and Tasmania revised their data, ranging from a downward revision of 46.3% in Victoria to an increase of 47.2% in New South Wales for the 1992–93 to 1995–96 data. For local governments, the only State that did not revise their data was Victoria. The extent of revision for the rest was insignificant and varied from a decrease of 1.3% to a decrease of 0.03%.

Non-government sector

The estimates of non-government sector contribution to welfare services are derived from government funding data. Whenever government funding figures were revised, the estimates of the non-government sector contribution were also revised. In this issue, the revisions were carried out in the areas listed below.

Client fees for child care services

In Bulletin No. 3, the Commonwealth ceiling fee for each year was used to estimate the cost for the '\$100 or more' cost category. In this issue, the average weekly fee was used and it is higher than the ceiling fee. Client fees for child care services are revised upward accordingly.

Estimates of NGCSO contributions to child care services

In the earlier issues of this Bulletin, only the estimates of client fees for child care services were made. It

was then assumed that there was no funding from NGCSOs' own source of income for the provision of child care services. The 1995–96 ABS Community Services Industry Survey revealed that NGCSOs' contribution was 2.8% of the combined funding from governments and client fees. In this issue, the estimates of NGCSOs' contributions to child care services for the period 1991–92 to 1996–97 were obtained by applying the proportion to the sum of funding from governments and client fees for the period.

Non-government community services organisations: funding from governments

The source for total government funding to NGCSOs is taken from the ABS public finance database. At State and Territory Government level, Queensland revised their figure downwards. For 1992–93 to 1995–96, the average revision was a decrease of 30.0%. New South Wales is another State which revised their figures. The average percentage revision was an increase of 1.1%. At the local government level, three States revised their data—Western Australia revised upwards by 17.0%, Tasmania revised downwards by 3.4%, and Northern Territory revised downwards by 0.8%.

Estimates of NGCSO contribution to hostel services

Estimates of various components of income of NGCSOs providing hostel services were revised based on more up-to-date information from the Community Services Industry Survey (ABS, 1998c).

Estimates of NGCSO contribution to other welfare services

In the earlier issues, expenditure estimates of organisations outside the 50 largest and the next largest disability organisations were made by applying the Victorian proportion of each component of income of these organisations to the amount of government funding. The Institute has compiled from three States, the financial statements of organisations providing services other than for people with a

disability, and hostels for the aged not previously included in the estimate. The proportion of the income component is applied to the remaining government funding (i.e. the amount of government funding after taking out funding for hostel care, large disability organisations, next large disability organisations, small disability organisations, and large multi-services organisations).

The medium-size disability services organisations

New South Wales, Western Australia, and the Northern Territory provided grant information in a database format. This enabled us to separate organisations which are local government from the NGCSOs. The Victorian Department of Human Services also provided more detailed information. It was found that some health components, such as aids and appliances, were included in the estimates published in the earlier issues.

The Institute was able to obtain financial statements from more organisations in New South Wales, Western Australia, South Australia and the Australian Capital Territory. They were included in our estimates.

2. Government Final Consumption Expenditure (GFCE) deflator

GFCE is used to deflate expenditure in current prices to constant (average 1989–90) prices for both the government and non-government sectors. GFCE deflators from 1991–92 to 1996–97 are shown in Table 19 below.

Table 19: Government Final Consumption Expenditure deflator, 1991–92 to 1996–97

Year	GFCE deflator
1991–92	1.097
1992–93	1.127
1993–94	1.140
1994–95	1.138
1995–96	1.162
1996–97	1.188

Source: ABS 1997a

3. Abbreviations and symbols used in tables

- nil or rounded down to zero
- .. not applicable

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Appendixes

Appendix 1: Commonwealth, State and Territory Governments recurrent outlays on welfare services in current prices, 1991–92 to 1996–97 (\$'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	NGCSOs ^(a)			
Family and child welfare services							
1991–92	27,625	74,897	124,904	277,946	505,372	636,282	1,141,654
1992–93	24,456	77,466	152,753	356,879	611,554	689,039	1,300,593
1993–94	35,873	86,256	166,627	470,117	758,873	750,031	1,508,904
1994–95	46,255	80,406	177,280	648,621	952,562	775,402	1,727,964
1995–96	60,842	91,913	182,079	753,600	1,088,434	847,782	1,936,216
1996–97	62,975	86,392	178,504	833,556	1,161,427	931,288	2,092,715
Aged and disabled welfare service							
1991–92	207,090	154,065	86,168	526,366	973,689	1,286,889	2,260,578
1992–93	309,429	319,010	92,169	413,973	1,134,581	1,342,552	2,477,133
1993–94	284,475	607,752	101,091	437,158	1,430,476	1,169,977	2,600,453
1994–95	296,091	636,565	100,021	576,851	1,609,528	1,242,330	2,851,858
1995–96	184,436	686,012	107,000	668,462	1,645,910	1,342,816	2,988,726
1996–97	190,311	694,900	123,309	743,254	1,751,774	1,496,894	3,248,668
Other welfare services							
1991–92	50,386	40,969	1,061	22,018	114,434	174,784	289,218
1992–93	72,515	42,771	1,044	30,297	146,628	237,050	383,678
1993–94	64,518	45,713	1,111	44,126	155,468	253,374	408,842
1994–95	67,408	38,429	881	55,003	161,721	288,369	450,090
1995–96	65,975	82,799	1,244	52,402	202,420	248,374	450,794
1996–97	69,276	75,495	1,356	38,414	184,541	243,073	427,614
Total welfare services							
1991–92	285,101	269,931	212,133	826,330	1,593,495	2,097,955	3,691,450
1992–93	406,400	439,247	245,966	801,149	1,892,762	2,268,641	4,161,403
1993–94	384,865	739,721	268,829	951,401	2,344,817	2,173,382	4,518,199
1994–95	409,754	755,400	278,182	1,280,475	2,723,811	2,306,101	5,029,912
1995–96	311,253	860,724	290,323	1,474,464	2,936,764	2,438,972	5,375,736
1996–97	322,562	856,787	303,169	1,615,224	3,097,742	2,671,255	5,768,997

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

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

Sources: Commonwealth direct outlays: DHCSS 1991 and 1992, DHHLGCS 1993a and 1993b, DSHS 1994 and 1995, DHFS 1996 and 1997a, 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.

Appendix 2: State and Territory Government recurrent welfare services expenditure including Commonwealth transfers in current prices, 1991–92 to 1996–97 (\$'000)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)
Family and child welfare services									
1991–92	217,062	195,657	50,982	84,446	80,626	9,811	9,443	13,293	661,320
1992–93	218,893	208,274	57,613	101,239	83,721	23,518	10,326	13,464	717,050
1993–94	245,286	227,751	66,165	106,000	86,603	23,569	8,848	16,921	781,143
1994–95	272,589	192,458	75,218	113,907	85,622	25,445	26,731	17,437	809,409
1995–96	266,298	235,329	95,052	121,041	102,890	27,547	19,262	19,489	886,909
1996–97	299,800	256,912	108,400	143,075	88,112	29,098	22,269	22,295	969,962
Aged and disabled welfare services									
1991–92	521,168	500,532	107,059	138,697	152,052	51,355	21,716	9,834	1,502,414
1992–93	589,566	590,409	170,332	140,714	136,090	65,955	24,694	14,002	1,731,763
1993–94	610,295	609,714	174,416	171,577	179,809	66,229	26,598	18,751	1,857,390
1994–95	678,430	624,956	194,563	160,971	185,455	67,164	23,399	17,933	1,952,871
1995–96	747,208	643,934	229,955	180,482	193,426	63,929	28,798	19,626	2,107,359
1996–97	856,551	694,026	218,781	164,226	224,713	73,219	27,914	21,925	2,281,355
Other welfare services									
1991–92	81,499	42,762	58,236	39,756	23,807	10,262	8,907	5,395	270,624
1992–93	89,822	91,661	64,485	33,414	27,296	9,189	14,894	6,425	337,188
1993–94	98,809	102,071	60,395	34,368	33,171	9,903	16,855	4,284	359,857
1994–95	103,823	86,424	82,462	43,482	28,506	9,806	14,083	8,201	376,787
1995–96	105,759	90,269	91,084	45,481	25,070	12,309	14,391	6,090	390,453
1996–97	100,612	87,841	80,885	43,362	21,898	16,715	16,856	5,121	373,290
Total welfare services									
1991–92	819,729	738,951	216,277	262,899	256,485	71,428	40,066	28,522	2,434,358
1992–93	898,281	890,344	292,430	275,367	247,107	98,662	49,914	33,891	2,785,997
1993–94	954,390	939,536	300,976	311,945	299,583	99,701	52,301	39,956	2,998,389
1994–95	1,054,842	903,838	352,243	318,360	299,583	102,415	64,213	43,571	3,139,066
1995–96	1,119,265	969,532	416,091	347,004	321,386	103,785	62,451	45,205	3,384,719
1996–97	1,256,963	1,038,779	408,066	350,663	334,723	119,032	67,039	49,341	3,624,606

(a) 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 4 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 1997b; Welfare services expenditure: Commonwealth Grants Commission unpublished data; Transfer payments: Department of Finance data base.

Appendix 3: Total welfare services expenditure by source of funds, 1991–92 to 1996–97 (%)

	Government sector				Non-government sector		Total non-government
	Commonwealth Government	State and Territory Government	Local government	Total government	NGCSOs	Clients	
1991–92	27.8	33.3	0.3	61.4	11.8 ^(a)	26.8	38.6
1992–93	28.6	33.2	0.3	62.1	12.7	25.3	37.9
1993–94	32.0	29.5	0.6	62.1	12.7	25.2	37.9
1994–95	33.7	28.5	1.2	63.4	12.4	24.2	36.6
1995–96	33.5	28.6	2.0	64.1	11.6	24.3	35.9
1996–97	32.5	29.1	1.1	62.7	11.4	25.9	37.3
6-year average	31.5	30.1	1.0	62.7	12.0	25.2	37.3

(a) Estimates of contribution by NGCSOs for 1991–92 was made using the average ratio of NGCSOs' contribution to total government sector outlays for the period from 1992–93 to 1996–97.

Sources: Government sector, Table 3; Non-government sector, Table 15; GDP, ABS 1998b.

Appendix 4: State and Territory Government recurrent welfare services expenditure excluding Commonwealth transfers by area of expenditure in current prices, 1991–92 to 1996–97 (%)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)
Family and child welfare services									
1991–92	30.9	29.4	27.6	35.6	30.0	15.2	27.3	53.8	30.3
1992–93	29.2	27.5	28.4	41.5	33.0	29.4	25.1	45.9	30.4
1993–94	38.0	29.4	37.5	41.1	32.5	31.7	20.9	51.5	34.5
1994–95	34.8	26.7	34.0	43.8	32.3	33.1	50.6	50.1	33.6
1995–96	33.0	30.5	37.3	44.4	36.7	36.3	37.6	53.1	34.8
1996–97	32.0	30.3	42.1	51.5	29.8	33.8	40.0	55.9	34.9
Aged and disabled welfare services									
1991–92	61.8	67.8	48.4	51.0	63.2	73.8	55.5	34.0	61.3
1992–93	63.3	63.1	47.2	48.4	58.0	63.3	46.3	40.8	59.2
1993–94	52.4	60.3	37.3	49.2	55.5	60.0	46.7	43.6	53.8
1994–95	54.4	64.6	35.8	41.4	57.9	59.0	31.0	34.5	53.9
1995–96	61.1	61.1	33.8	44.3	57.3	52.8	41.5	37.0	55.1
1996–97	62.1	62.6	33.4	36.5	65.1	55.4	36.2	39.1	56.0
Other welfare services									
1991–92	7.3	2.8	24.0	13.5	6.8	11.0	17.2	12.2	8.3
1992–93	7.6	9.3	24.3	10.1	9.0	7.36	28.7	13.3	10.4
1993–94	9.6	10.3	25.2	9.8	12.0	8.4	32.4	4.9	11.7
1994–95	10.8	8.7	30.1	14.9	9.8	7.9	18.3	15.5	12.5
1995–96	5.9	8.4	28.9	11.3	6.0	10.9	21.0	9.9	10.2
1996–97	5.9	7.1	24.5	11.9	5.1	10.8	23.8	5.0	9.1
Total welfare services (\$'000)									
1991–92	695,473	648,572	181,680	235,485	215,667	62,390	34,342	24,346	2,097,955
1992–93	744,069	736,207	199,326	242,289	198,347	78,772	40,785	28,846	2,268,641
1993–94	639,563	751,213	174,193	256,278	204,660	73,292	41,729	32,454	2,173,382
1994–95	775,685	698,530	217,585	258,539	193,167	75,680	52,522	34,393	2,306,101
1995–96	799,866	749,083	251,658	271,083	205,190	74,899	50,892	36,301	2,438,972
1996–97	928,205	820,160	253,816	275,864	214,076	84,767	54,982	39,385	2,671,255

(a) 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 4 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 1997b; Welfare services expenditure: Commonwealth Grants Commission unpublished data; Transfer payments: Department of Finance data base.

Appendix 5: Per person contribution of the Commonwealth Government to the funding of State and Territory welfare services in constant (average 1989–90) prices and annual growth, 1991–92 to 1996–97

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	National average
					(\$)				
1991–92	19	19	11	15	26	17	18	23	18
1992–93	23	30	27	18	30	38	28	27	27
1993–94	47	36	36	29	55	49	31	39	41
1994–95	41	40	37	31	63	50	34	47	41
1995–96	45	41	43	37	67	53	32	43	45
1996–97	45	40	39	36	68	60	32	46	43
Annual growth in expenditure (%)									
1991–92	..	..	..	..	..	..	..	..	..
1992–93	21.7	59.8	157.0	17.6	16.8	115.1	51.9	15.4	49.0
1993–94	103.2	21.4	30.5	62.0	84.5	30.7	10.2	44.7	54.5
1994–95	-12.8	10.5	2.9	5.6	13.1	1.5	10.5	19.5	-0.6
1995–96	11.1	3.9	16.7	21.6	6.6	5.9	-5.0	-7.5	9.7
1996–97	-0.5	-4.0	-9.6	-4.5	2.1	13.3	-1.1	7.6	-2.8
<i>Average growth</i>	<i>19.0</i>	<i>16.4</i>	<i>29.5</i>	<i>18.5</i>	<i>21.5</i>	<i>27.9</i>	<i>11.7</i>	<i>14.7</i>	<i>19.5</i>

Sources: Tables 12 and 13.