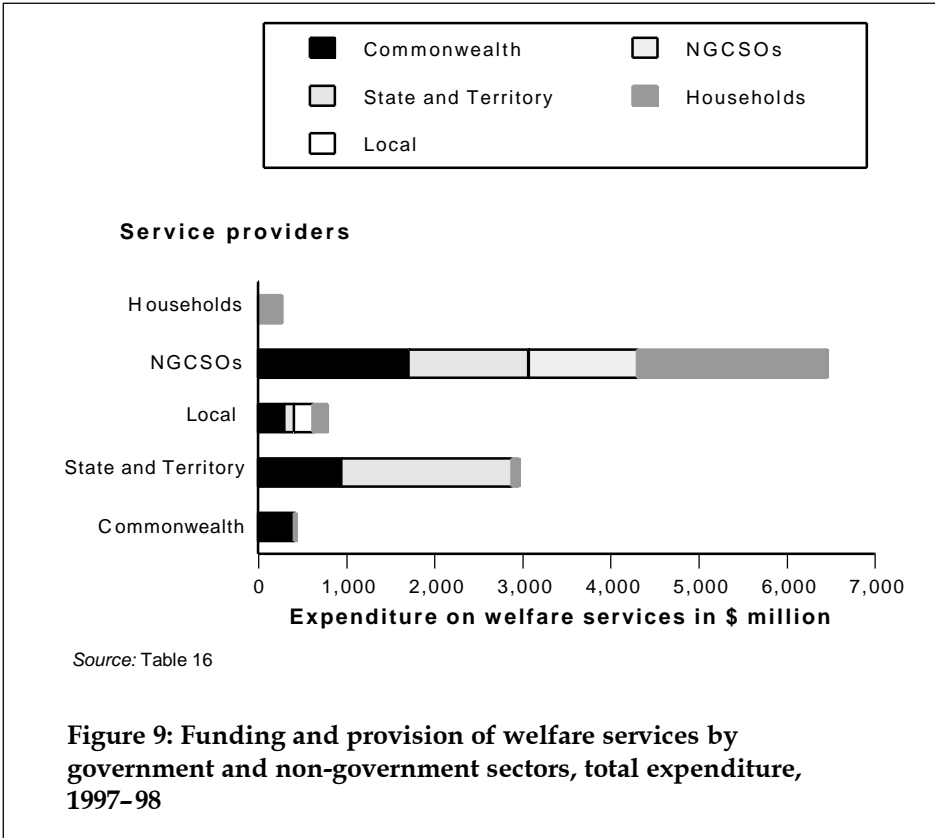


# 4 Total welfare services expenditure

## Funding and provision of welfare services

In 1997-98, the government sector funded a total of \$7.0 billion of welfare services expenditure. Only 56.0% was for services provided by the government sector itself; the remaining 44.0% was transferred to NGCSOs which then used these funds to provide services to the community (Table 16 and Figure 9).



Among the three levels of government, the Commonwealth Government was predominantly a funder of services rather than a provider of services. Of the \$3.4 billion funded by the Commonwealth Government, only 3.9% was for direct services provided to the community; the rest (96.1%) was transferred to the other two levels of government and NGCSOs. State and Territory Governments spent \$3.0 billion on direct services but funded \$3.4 billion, 39.9% of which went to NGCSOs. Local governments are predominantly providers of services. They funded \$219 million, but provided \$779 million worth of services.

NGCSOs were predominantly providers of services, providing 59.4% worth of the total value of services. Government agencies provided 38.2% worth of the total value of services. Within the government sector, the State and Territory government agencies played a more dominant role than the other two levels of government in the provision of services. They delivered 27.2% of the total value of services, and local government provided 7.2% and the

Commonwealth Government 3.9%. The remaining 2.4% of the total value of services was provided by the household sector.

**Table 16: Funding and provision of welfare services, 1997–98 (\$ million)**

Provider of services	Source of funds						Proportion of service provision %
	Common-wealth Government	State and Territory Governments	Local governments	NGCSOs <sup>(a)</sup>	Households	Total	
<b>Government</b>							
• Commonwealth Government	406	—	—	—	17	423	3.9
• State and Territory Governments	945	1,933	—	—	73	2,951	27.2
• Local governments	300	109	214	—	156	779	7.2
<i>Total government</i>	<i>1,650</i>	<i>2,043</i>	<i>214</i>	<i>—</i>	<i>246</i>	<i>4,154</i>	<i>38.2</i>
NGCSOs	1,714	1,355	5	1,229 <sup>(b)</sup>	2,150	6,453	59.4
Household sector	—	—	—	—	261	261	2.4
<b>Total for all sectors</b>	<b>3,365</b>	<b>3,398</b>	<b>219</b>	<b>1,229</b>	<b>2,657</b>	<b>10,867</b>	<b>100.0</b>
<i>Proportion of funding (%)</i>	<i>31.0</i>	<i>31.3</i>	<i>2.0</i>	<i>11.3</i>	<i>24.5</i>	<i>100.0</i>	

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

(b) Capital expenditure funded by NGCSO own source funds not known so is not included.

Sources: Tables 3 and 15.

## Welfare services expenditure as a percentage of GDP

Total welfare services expenditure as a proportion of GDP increased almost every year, from 1.71% in 1992–93 to 1.93% in 1997–98.

Estimates for the non-government sector are conservative as they exclude NGCSOs which do not receive government funding. Welfare services expenditure as a proportion of GDP could therefore be slightly higher than shown in Table 17.

Total welfare services expenditure per person rose in current prices from \$414 in 1992–93 to \$583 in 1997–98. This was a real increase of 5.3% annually (Table 18).

**Table 17: Welfare services expenditure, by source of funding, and gross domestic product in current prices, 1992–93 to 1997–98**

Year	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	Households	Total non-government			
	\$ million									
1992–93	2,113	2,347	22	4,483	934	1,864	2,798	7,281	425,825	1.71
1993–94	2,494	2,360	46	4,900	990	1,974	2,964	7,864	448,284	1.75
1994–95	2,892	2,464	99	5,455	995	2,055	3,050	8,504	473,463	1.80
1995–96	3,074	2,602	157	5,833	1,043	2,207	3,250	9,083	507,527	1.79
1996–97	3,264	3,040	121	6,424	1,146	2,385	3,531	9,955	531,045	1.87
1997–98	3,365	3,398	219	6,982	1,229	2,657	3,886	10,867	563,517	1.93

Sources: Government sector: Table 3; Non-government sector: Table 15; GDP: ABS 1999c.

**Table 18: Per person welfare services expenditure, 1992-93 to 1997-98 in current and 1996-97 prices**

Year	Amount (\$)		Rate of growth (%)	
	Current prices	1996-97 prices	Current prices	1996-97 prices
1992-93	414	442	..	..
1993-94	443	465	6.9	5.2
1994-95	473	492	7.0	5.8
1995-96	499	508	5.4	3.2
1996-97	540	540	8.2	6.3
1997-98	583	574	7.9	6.2
<i>Average annual growth</i>			7.1	5.3

Sources: Table 17; Population: ABS 1998a, 1998b and 1999a.