

1 Summary

This bulletin provides estimates of welfare services expenditure funded by the government sector and estimates of the contribution of the non-government sector for 1992–93 to 1997–98. For the first time in this bulletin, the previous category of ‘Welfare services for the aged and persons with a disability’ is broken down into ‘Welfare services for the aged’ and ‘Welfare services for persons with a disability’. Welfare services do not include cash payments under the various social security income support benefit schemes (see Box 1, page 12). Expenditure on nursing homes and domiciliary nursing care is classified as health expenditure and is not included in welfare services. Long-term housing assistance is not included but supported accommodation assistance is.

Total welfare services expenditure as a proportion of GDP rose from 1.71% in 1992–93 to 1.93% in 1997–98 (Table 17). Total welfare services expenditure in 1997–98 was estimated at \$10.9 billion. Of this amount, 64.2% (\$7.0 billion) was funded by the government sector, 24.5% was funded by the users of welfare services, and the remaining 11.3% was funded by non-government community services organisations (NGCSOs).

The Commonwealth government’s contribution to funding total welfare services expenditure increased from 29.0% in 1992–93 to 34.0% in 1994–95, and has now fallen to 31.0% in 1997–98. Funding by State and Territory Governments and local governments fell in the first 3 years of the period under study from 32.5% in 1992–93 to 30.2% in 1994–95, and has now risen to 33.3% in 1997–98. Client contributions – charges for services – fluctuated during the period and averaged 24.5%. NGCSOs’ contributions declined over the period from 12.8% in 1992–93 to 11.3% in 1997–98 (Table A3 and Figure 9).

NGCSOs are the major providers of welfare services. Of the \$10.9 billion total welfare services expenditure in 1997–98, they delivered \$6.5 billion (59.4%) worth of services – \$1.2 billion (11.3%) of this was funded from their own sources (not including client fees). The Commonwealth Government, in contrast, is largely a funder of services. It contributed \$3.4 billion (31.0%) of funding for welfare services but delivered just \$0.4 billion (3.9%) worth of services. State and Territory Governments are both major funders and major providers of services, providing 27.2% of the total value of welfare services and funding 31.3%. Local governments are mainly providers of services. They provided 7.2% of services and funded 2.0% (Table 16 and Figure 8).

Only welfare services where money changes hands are considered here. The vast bulk of welfare services are provided by volunteers working in NGCSOs and by carers in households (AIHW 1997: 10). Further analysis of the work done by carers and volunteers will be published in *Australia’s Welfare 1999*.

Other findings

Total welfare services expenditure by source of funds

- In 1997–98, the government sector funded \$7.0 billion of welfare services expenditure (Table 3), the Commonwealth Government providing \$3.4 billion (48.2%), and the State and Territory Governments \$3.4 billion (48.7%). Local governments funded the remaining \$0.2 billion (3.1%).

- Funding of welfare services in 1997–98 by NGCSOs operating on both a ‘not-for-profit’ and a ‘for-profit’ basis was \$1.2 billion (Table 17).
- In 1997–98, households paid \$2.7 billion out of their own pockets (24.5% of the total value of welfare services) for welfare services provided by governments, NGCSOs and informal child care providers.

Expenditure per person

- In 1997–98, expenditure on welfare services averaged \$583 per person (Table 18). Of this amount, \$375 was funded by the government sector – \$181 per person was from the Commonwealth Government, \$182 per person from State and Territory Governments and \$12 per person from local governments (calculated from Tables 3 and 5).
- Expenditure per person funded by State and Territory Governments in 1997–98 ranged from \$110 in Queensland to \$224 in the Northern Territory, with a national average of \$179 (Table 10).
- In 1997–98, the contribution of the Commonwealth Government to the funding of State and Territory welfare services in current prices ranged from \$42 per person in the Australian Capital Territory to \$70 in Tasmania, with a national average of \$52 per person (calculated from Tables 10 and 11).

Functional areas of recurrent government expenditure

- In 1997–98, family and child welfare services accounted for 32.6% of total Commonwealth government and State and Territory government recurrent expenditure (local government excluded). Welfare services for the aged (excluding nursing homes) accounted for 32.1%, welfare services for persons with a disability 28.1%, and other welfare services accounted for 7.1% (Table 6).
- In 1997–98, 33.2% of Commonwealth recurrent outlays on welfare services was allocated to family and child welfare services (this category is mostly child care); 37.8% was allocated to welfare services for the aged and 23.5% was allocated to welfare services for people with a disability; the remaining 5.6% went to other welfare services (calculated from Table A1).
- Just under one-third of State and Territory government funding of total recurrent expenditure was for welfare services for people with a disability (32.7%); 32.1% was for family and child welfare services; a further 26.6% was for welfare services for the aged. The remaining 8.6% was for other welfare services (calculated from column 7 of Table A1).
- During the period 1992–93 to 1997–98, the average proportion of State and Territory government outlays for aged care services and disability services ranged from 39.7% in the Australian Capital Territory to 61.2% in Victoria (Figure 7 and Table A4). 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.