

3 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. NGCSO recurrent expenditure was estimated to have increased at an average annual rate of 8.9% from \$3,928 million in 1992–93 to \$6,013 million in 1997–98 (Table 15). The sources of funding of NGCSOs' recurrent expenditure are government contributions, NGCSO own funding sources, and client fees. Over the 6 years from 1992–93 to 1997–98, 47.3% of their expenditure was funded by governments, 22.2% from the NGCSOs' own source of income, and 30.6% from client fees.

Table 15: Sources of recurrent income^(a), all government-funded NGCSOs, 1992–93 to 1997–98

	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98
Amount (\$m)						
Government funding ^(b)	1,846	2,074	1,973	2,305	2,493	2,895
NGCSO funding ^(c)	934	990	995	1,043	1,146	1,229
Client fees ^(d)	1,148	1,266	1,151	1,524	1,667	1,889
Total	3,928	4,330	4,321	4,872	5,368	6,013
Proportion (%)						
Government funding ^(b)	47.0	47.9	45.7	47.3	47.5	48.1
NGCSO funding ^(c)	23.8	22.9	23.0	21.4	21.4	20.4
Client fees ^(d)	29.2	29.3	31.3	31.3	31.1	31.5

(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: 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Commission 1995; Child care service clients' contribution: estimated by AIHW from ABS 1997; Government funding: ABS unpublished data and DHFS and DHAC various years; 1994–95 to 1997–98: estimated by AIHW.

The proportion of government funding of NGCSOs fluctuated over the period. It was 47.0% in 1992–93 and 48.1% in 1997–98. The proportion of NGCSOs' funding from their own income declined fairly consistently from 23.8% in 1992–93 to 20.4% in 1997–98. The proportion of funding from client fees increased in the first 3 years from 29.2% in 1992–93 to 31.3% in 1994–95 after which it was stable around 31% until 1997–98.

Most of the client fees are charges for child care services. About one-quarter of the fees were for aged care hostel services and the remainder were fees for other services.

The data displayed in Table 15 do not provide a complete picture of the non-government sector's contribution to welfare services because non-government organisations not funded by governments are excluded. Furthermore, capital expenditure by these NGCSOs (e.g. hostel services) was not included. The estimates of NGCSO own income and client fees in Table 15, therefore, are conservative. Some information on this area is available from the ABS Community Services Industry Survey.