

All states & territories

The 2014 *Indigenous Expenditure Report* was released on **12 December 2014**. The Report is the third in a series that provides estimates of expenditure on services provided to Aboriginal and Torres Strait Islander people by the Australian Government, and State and Territory governments.

The Report provides an overview of six broad areas of expenditure – early child development and education and training; healthy lives; economic participation; home environment; safe and supportive communities; and other government services.

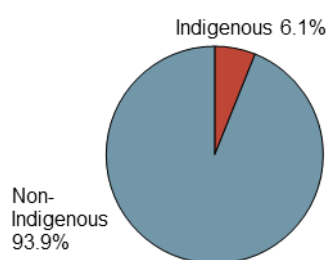
More detailed estimates and data for previous years are available from the project website.

Interpreting the results

Estimating the Indigenous component of expenditure – especially for mainstream services – is complex, and many data quality and methodological challenges are yet to be resolved. Some of these challenges are state and territory specific. The Report provides information to assist in interpreting the estimates, including the strengths and limitations of the data and method and the context in which services are provided.

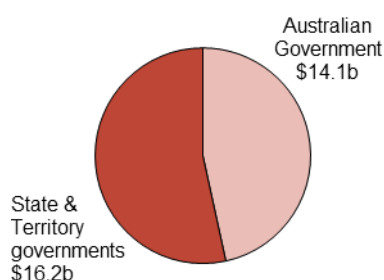
National expenditure patterns in 2012-13

Figure 1. Total government direct expenditure



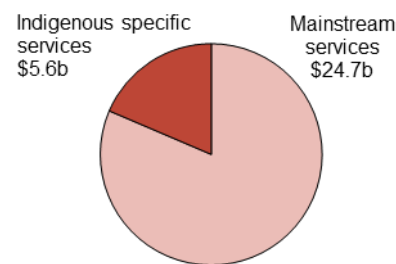
Total government direct Indigenous expenditure was estimated to be \$30.3 billion, accounting for 6.1 per cent of total government direct expenditure nationally.

Figure 2. Funding source of total government direct expenditure



The Australian Government accounted for \$14.1 billion (47 per cent) of direct Indigenous expenditure, with the remaining \$16.2 billion (53 per cent) provided by the State and Territory governments.

Figure 3. Composition of direct Indigenous expenditure



Mainstream services accounted for \$24.7 billion (81 per cent) of direct Indigenous expenditure, with the remaining \$5.6 billion (19 per cent) provided through Indigenous specific (targeted) services.

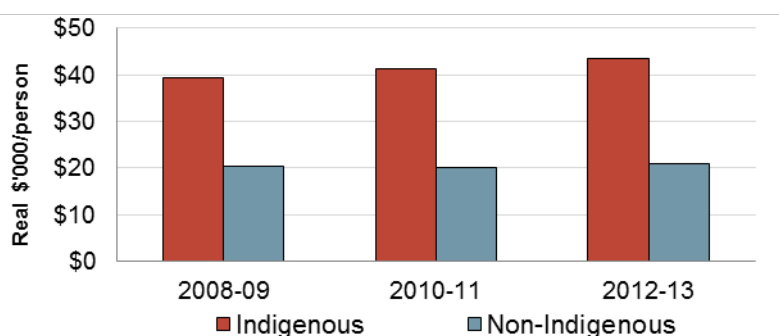
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National expenditure per person

Aboriginal and Torres Strait Islander Australians made up 3.0 per cent of the Australian population at 30 June 2013.

Estimated expenditure per person nationally in 2012-13 was \$43 449 for Aboriginal and Torres Strait Islander Australians, compared with \$20 900 for non-Indigenous Australians (a ratio of 2.08:1). Between 2008-09 and 2012-13, total government direct Indigenous expenditure increased by \$5.0 billion (20 per cent) in real terms, equivalent to an increase of \$4070 per person (see figure 4).

Figure 4. Total government direct expenditure per person in Australia^{a, b, c}



^a Direct expenditure includes government outlays on services and programs (including income support) that are paid directly to individuals, non-government service providers, or local governments. ^b Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. ^c Expenditure for 2008-09 and 2010-11 has been expressed in real (constant 2012-13 dollars) terms using the General Government Final Consumption Expenditure deflator (chain price index).

Source: 2014 Indigenous Expenditure Report database

The \$22 550 per person difference in expenditure between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians in 2012-13 reflected the combined effects of:

- *greater intensity of service use* (\$15 438 or 68 per cent) – Aboriginal and Torres Strait Islander Australians, on average, use more services per person because of greater need, and because of population characteristics such as the younger age profile of the Aboriginal and Torres Strait Islander population
- *higher costs of providing services* (\$7112 or 32 per cent) – it can cost more to provide services to Aboriginal and Torres Strait Islander Australians if mainstream services are more expensive to provide (for example, because of location), or if Aboriginal and Torres Strait Islander Australians receive targeted services in addition to mainstream services (for example, liaison officers in hospitals).

2014

Information in this factsheet is from the 2014 Indigenous Expenditure Report, published by the Steering Committee for the Review of Government Provision. The Report can be found on the project website: www.pc.gov.au/research/recurring/ier. Printed copies of the Report are available from Canprint Communications (ph 1300 889 873 or email: sales@infoservices.com.au). For further information contact the Secretariat: (03) 9653 2100.

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Variations in national expenditure over the six broad areas

There were significant variations in levels and patterns of expenditure across expenditure categories in 2012-13.

Early child development, and education and training

This includes expenditure on preschool and childcare; school education; and tertiary education.

The ratio of Indigenous to non-Indigenous expenditure per person nationally was 2.21:1 (\$6457 per Aboriginal and Torres Strait Islander Australian compared with \$2923 per non-Indigenous Australian).

Healthy lives

This includes expenditure on hospital services; public and community health services; and other health care subsidies and support services.

The ratio of Indigenous to non-Indigenous expenditure per person nationally was 2.09:1 (\$9008 per Aboriginal and Torres Strait Islander Australian compared with \$4307 per non-Indigenous Australian).

Economic participation

This includes expenditure on labour and employment services and social security support.

The ratio of Indigenous to non-Indigenous expenditure per person nationally was 1.66:1 (\$7904 per Aboriginal and Torres Strait Islander Australian compared with \$4768 per non-Indigenous Australian).

Home environment

This includes expenditure on housing services; community and environment services; and transport and communications services.

The ratio of Indigenous to non-Indigenous expenditure per person nationally was 2.00:1 (\$4161 per Aboriginal and Torres Strait Islander Australian compared with \$2081 per non-Indigenous Australian).

Safe and supportive communities

This includes expenditure on public order and safety; community support and welfare; and recreation and culture.

The ratio of Indigenous to non-Indigenous expenditure per person nationally was 4.18:1 (\$11 463 per Aboriginal and Torres Strait Islander Australian compared with \$2745 per non-Indigenous Australian).

Other government expenditure

This includes expenditure on general government (such as the operations of legislative and executive affairs and defence services); and support to industry.

The ratio of Indigenous to non-Indigenous expenditure per person nationally was 1.09:1 (\$4457 per Aboriginal and Torres Strait Islander Australian compared with \$4075 per non-Indigenous Australian).

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All states & territories

Table 1 Australian Government *plus* State and Territory government direct expenditure, all states and territories, 2012-13^{a, b, c}

	Total expenditure				Expenditure per head of population ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
Early child development and Education and training							
Early childhood	335	5 730	6 065	5.5	479	255	1.88
School education	3 406	39 791	43 197	7.9	4 878	1 774	2.75
Tertiary education	768	20 053	20 821	3.7	1 099	894	1.23
Total	4 509	65 575	70 083	6.4	6 457	2 923	2.21
Healthy lives							
Hospital services	2 805	42 190	44 995	6.2	4 016	1 881	2.14
Public and community health	1 970	12 074	14 044	14.0	2 821	538	5.24
Health care subsidies & support	1 516	42 364	43 880	3.5	2 170	1 888	1.15
Total	6 290	96 629	102 919	6.1	9 008	4 307	2.09
Economic participation							
Labour & employment	1 020	9 940	10 960	9.3	1 460	443	3.30
Social security support	4 500	97 021	101 520	4.4	6 443	4 325	1.49
Total	5 519	106 961	112 480	4.9	7 904	4 768	1.66
Home environment							
Housing	1 193	6 959	8 152	14.6	1 708	310	5.51
Community and environment	976	15 981	16 957	5.8	1 398	712	1.96
Transport & communications	737	23 753	24 490	3.0	1 055	1 059	1.00
Total	2 906	46 693	49 599	5.9	4 161	2 081	2.00
Safe and supportive communities							
Public order and safety	3 399	21 698	25 097	13.5	4 868	967	5.03
Community support & welfare	4 129	31 875	36 003	11.5	5 912	1 421	4.16
Recreation and culture	477	8 011	8 488	5.6	683	357	1.91
Total	8 004	61 584	69 589	11.5	11 463	2 745	4.18
Other government expenditure							
General govt and defence	2 774	82 250	85 024	3.3	3 972	3 666	1.08
Support to industry	339	9 170	9 509	3.6	485	409	1.19
Total	3 112	91 420	94 532	3.3	4 457	4 075	1.09
TOTAL EXPENDITURE	30 341	468 861	499 202	6.1	43 449	20 900	2.08

^a *Direct expenditure* includes government outlays on services and programs (including income support) that are paid directly to individuals, non-government service providers, or local governments. ^b Refer to the Report for more detail on the estimates and specific guidelines for the use and interpretation of these data. ^c Totals may not sum due to rounding. ^d Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

Source: 2014 Indigenous Expenditure Report database.

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Table 2 Australian Government and State and Territory government direct expenditure, all states and territories, 2012-13^{a, b, c}

	Total expenditure				Expenditure per head of population ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
Early child development and Education and training							
Australian Government	913	18 478	19 391	4.7	1 308	824	1.59
State & Territory governments	3 595	47 097	50 692	7.1	5 149	2 099	2.45
Total	4 509	65 575	70 083	6.4	6 457	2 923	2.21
Healthy lives							
Australian Government	2 397	43 800	46 197	5.2	3 433	1 952	1.76
State & Territory governments	3 893	52 829	56 722	6.9	5 576	2 355	2.37
Total	6 290	96 629	102 919	6.1	9 008	4 307	2.09
Economic participation							
Australian Government	5 412	104 322	109 734	4.9	7 750	4 650	1.67
State & Territory governments	107	2 639	2 746	3.9	153	118	1.30
Total	5 519	106 961	112 480	4.9	7 904	4 768	1.66
Home environment							
Australian Government	773	14 033	14 806	5.2	1 108	626	1.77
State & Territory governments	2 133	32 660	34 792	6.1	3 054	1 456	2.10
Total	2 906	46 693	49 599	5.9	4 161	2 081	2.00
Safe and supportive communities							
Australian Government	2 399	25 509	27 908	8.6	3 436	1 137	3.02
State & Territory governments	5 605	36 075	41 681	13.4	8 027	1 608	4.99
Total	8 004	61 584	69 589	11.5	11 463	2 745	4.18
Other government expenditure							
Australian Government	2 239	70 046	72 285	3.1	3 206	3 122	1.03
State & Territory governments	873	21 374	22 247	3.9	1 251	953	1.31
Total	3 112	91 420	94 532	3.3	4 457	4 075	1.09
All direct expenditure							
Australian Government	14 134	276 187	290 321	4.9	20 241	12 311	1.64
State & Territory governments	16 207	192 674	208 881	7.8	23 209	8 589	2.70
Total	30 341	468 861	499 202	6.1	43 449	20 900	2.08

^a Direct expenditure includes government outlays on services and programs (including income support) that are paid directly to individuals, non-government service providers, or local governments. ^b Refer to the Report for more detail on the estimates and specific guidelines for the use and interpretation of these data. ^c Totals may not sum due to rounding. ^d Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

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Table 3 Real Australian Government and State and Territory government direct expenditure, all states and territories, 2008-09, 2010-11, 2012-13 (2012-13 dollars)^{a, b, c}

	Total expenditure				Expenditure per head of population ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
All direct expenditure 2008-09^f							
Australian Government	11 754	255 451	267 205	4.4	18 285	12 138	1.51
State & Territory governments	13 559	174 830	188 389	7.2	21 093	8 307	2.54
Total	25 312	430 281	455 593	5.6	39 379	20 445	1.93
All direct expenditure 2010-11^f							
Australian Government	12 568	252 601	265 169	4.7	18 770	11 658	1.61
State & Territory governments	15 141	184 705	199 846	7.6	22 611	8 525	2.65
Total	27 709	437 305	465 015	6.0	41 381	20 183	2.05
All direct expenditure 2012-13							
Australian Government	14 134	276 187	290 321	4.9	20 241	12 311	1.64
State & Territory governments	16 207	192 674	208 881	7.8	23 209	8 589	2.70
Total	30 341	468 861	499 202	6.1	43 449	20 900	2.08

^a Direct expenditure includes government outlays on services and programs (including income support) that are paid directly to individuals, non-government service providers, or local governments. ^b Refer to the Report for more detail on the estimates and specific guidelines for the use and interpretation of these data. ^c Totals may not sum due to rounding. ^d Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person. ^f Expenditure for 2008-09 and 2010-11 has been expressed in real (constant 2012-13 dollars) terms using the General Government Final Consumption Expenditure deflator (chain price index).

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