

National Framework for
Reporting Expenditure on
Services to Indigenous
Australians:
Stocktake Report

Report to the Council of
Australian Governments

February 2009

*Indigenous Expenditure Report
Steering Committee*

Publications Inquiries:

Secretariat for the Indigenous
Expenditure Report Steering Committee

Locked Bag 2 Collins Street East
Melbourne VIC 8003

Tel: (03) 9653 2142
Fax: (03) 9653 2303
Email: gsp.ier@pc.gov.au

General Inquiries:

Tel: (03) 9653 2100 or (02) 6240 3200

An appropriate citation for this paper is:

IERSC (Indigenous Expenditure Report Steering Committee) 2009 *National Framework for Reporting Expenditure on Services to Indigenous Australians: Stocktake Report*, Report to the Council of Australian Governments, February 2009.

Foreword

The disparity between outcomes for Indigenous and non-Indigenous Australians — particularly gaps in life expectancy, child mortality, educational attainment and economic participation — is a significant policy challenge for all Australian governments. Governments have responded by contributing significant levels of funding in these and other areas — through both Indigenous specific and community wide programs. Yet information with which to assess the adequacy, effectiveness or efficiency of that expenditure is limited.

The Council of Australian Governments agreed in December 2007 to report transparently on expenditure on services for Indigenous people. This commitment was progressed by the Ministerial Council for Federal Financial Relations, with a decision to develop a national framework for reporting Indigenous expenditure.

As Chair of the Indigenous Expenditure Report Steering Committee, I present this Stocktake Report for endorsement. It proposes a framework agreed by jurisdictions for taking this work forward, as well as a preliminary assessment of jurisdictional capacity to report data.

Subject to endorsement, further work will be undertaken, with the expectation that the first annual report (including some initial estimates of Indigenous expenditure) will be produced in 2010. The estimation of the Indigenous share of expenditure on mainstream services is a complex task, and will require the commitment of resources by jurisdictions, data agencies and the Secretariat. Complete reporting against all areas of the framework is likely to take iterative improvement over several reports.

Annual National Indigenous Expenditure Reports based on the proposed framework will provide governments with a better understanding of the level and patterns of expenditure on services to Indigenous Australians, and assist policy makers to target policies to Close the Gap in Indigenous Disadvantage.

I would like to take this opportunity to express my thanks to all members of the Steering Committee for their substantial effort in preparing the following report. In particular, and on behalf of the Steering Committee, I would like to thank the Productivity Commission Secretariat for their invaluable assistance throughout the process.

Yours sincerely

Peter Robinson

Chair

Indigenous Expenditure Framework Steering Committee

March 2009

Steering committee

At 30 January 2009, the membership of the Steering Committee for the National Framework for Reporting Expenditure on Services to Indigenous Australians comprised:

Mr Peter Robinson (Chair)	Commonwealth Department of the Treasury
Mr Matthew James	Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs
Mr Ron Robinson	New South Wales Treasury
Ms Andrea Del Monaco	Victorian Department of Treasury and Finance
Ms Maryanne Kelly	Queensland Treasury
Mr Craig Warner	Western Australian Department of Treasury and Finance
Ms Katrina Ball	South Australian Department Treasury and Finance
Mr Adrian Christian	Tasmanian Treasury
Mr Bruce Michael	Northern Territory Treasury
Ms Helen Hill	Australian Capital Territory Treasury
Mr Garth Bode	Australian Bureau of Statistics
Ms Sally Goodspeed	Australian Bureau of Statistics
Dr Penny Allbon	Australian Institute of Health and Welfare
Ms Catherine Hull	Commonwealth Grants Commission
Ms Natasha Firth	Ministerial Council for Aboriginal and Torres Strait Islander Affairs
Mr Lawrence McDonald	Productivity Commission
Mr Danny Forwood (Secretariat)	Productivity Commission

Contents

Foreword	III
Steering committee	V
Abbreviations	IX
Terms of References	XII
Overview	XIII
What will the Indigenous Expenditure Report provide	XIV
The National Framework	XV
The way forward	XIX
1 Introduction	1
1.1 The need for Indigenous expenditure information	1
1.2 Limitations of existing information	5
1.3 Role of the national framework	9
1.4 Report outline	12
2 Governance and liaison	15
2.1 Governance model	15
2.2 Consultation	22
3 Expenditure framework principles	21
3.1 A comprehensive approach	21
3.2 Alignment with COAG Indigenous reform agenda	22
3.3 Reporting and interpreting expenditure estimates	25
4 Reporting methodology	33
4.1 Allocating expenditure to service categories	33
4.2 Apportioning mainstream expenditure	35
5 Available information and data gaps	41
5.1 Expenditure data availability	41
5.2 Service use measures	54

6	Future directions	65
6.1	Towards the first report	66
6.2	Continual improvement	69
A	Government purpose classification	71
B	Service use measures	79
	References	113

Abbreviations

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AIHW	Australian Institute of Health and Welfare
ANAO	Australian National Audit Office
CGC	Commonwealth Grants Commission
COAG	Council of Australian Governments
FaCSIA	Department of Family and Community Services and Indigenous Affairs
GFS	Government Finance Statistics
GPC	Government Purpose Classification
GST	General Services Tax
HoTs	Heads of Treasuries
IER	Indigenous Expenditure Report
MCATSIA	Ministerial Council for Aboriginal and Torres Strait Islander Affairs
MCFFR	Ministerial Council for Federal Financial Relations
NSW	New South Wales
NT	Northern Territory
OID	Overcoming Indigenous Disadvantage
PC	Productivity Commission
Qld	Queensland
RoGS	Report on Government Services
RoGSP	Review of Government Service Provision
SA	South Australia
SCRGSP	Steering Committee for the Review of Government Service Provision

Steering Committee	Steering Committee for the National Framework for Reporting Expenditure on Services to Indigenous Australians
Tas	Tasmania
Vic	Victoria
WA	Western Australia
WGIR	Working Group on Indigenous Reform