The *2014 Indigenous Expenditure Report* was released on **12 December 2014**. The Report is the third in a series providing 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.

This factsheet reports selected expenditure data for healthy lives services. More detailed estimates, including data for individual jurisdictions and 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-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.

**Direct government expenditure on *healthy lives***

Healthy lives services play an important role in improving health outcomes and contribute to Closing the Gap in life expectancy (at birth) between Aboriginal and Torres Strait Islander and non‑Indigenous Australians. Expenditure in the 2014 Report includes outlays on:

* *hospital services* —services provided in hospitals, including mental health services provided to admitted patients in psychiatric hospitals and psycho‑geriatric nursing homes
* *public and community health services* — including programs offered in community (non-hospital) settings, and primary health services that target particular health issues or particular at‑risk groups
* *health care subsidies and support services* — including private health insurance subsidies, medical services subsidies, patient aids (such as hearing aids), health research and general health administration.

A more detailed description of these expenditure categories is provided in *Factsheet: Description of expenditure categories* and the *Expenditure Data Manual* (both available from the project website).

**Expenditure per capita**

Estimates in this factsheet are for expenditure per capita (per person in the population) and are not a measure of expenditure per user of services. Per capita estimates should not be interpreted as a proxy for unit cost, or for the amount individuals receive from government.

**Drivers of differences in expenditure**

Differences in expenditure may be driven by:

* *intensity of service use*, which for healthy lives services is largely driven by the poorer health status (and consequent greater need for health services) of Aboriginal and Torres Strait Islander Australians on average. Aboriginal and Torres Strait Islander Australians are, on average, higher users of public hospitals and community health services, and lower users of medical, pharmaceutical, dental and other health services than non-Indigenous Australians
* *differences in the cost of service provision*, which relate to the higher cost of providing mainstream services to Aboriginal and Torres Strait Islander Australians (including higher costs in remote areas), and the use of complementary Indigenous specific services in addition to mainstream services (for example, liaison officers in hospitals).

**Key results**

* Government direct expenditure on all healthy lives services was $102.9 billion in 2012‑13. Direct expenditure on services to Aboriginal and Torres Strait Islander Australians made up $6.3 billion (6 per cent) of the total.
* Government direct expenditure per person on healthy lives in 2012‑13 was $9008 per Aboriginal and Torres Strait Islander Australian and $4307 per non‑Indigenous Australian (a ratio of 2.09:1):
* *hospital services* — $4016 was spent per Aboriginal and Torres Strait Islander Australian compared with $1881 per non-Indigenous Australian (a ratio of 2.14:1).
* *public and community health services* — $2821 was spent per Aboriginal and Torres Strait Islander Australian compared with $538 per non-Indigenous Australian (a ratio of 5.24:1).
* *health care subsidies and support services* — $2170 was spent per Aboriginal and Torres Strait Islander Australian compared with $1888 per non-Indigenous Australian (a ratio of 1.15:1).
* State and Territory governments provided $3.9 billion (62 per cent) of direct Indigenous expenditure, and the Australian Government provided $2.4 billion (38 per cent). On a per person basis, State and Territory governments provided $5576 per Aboriginal and Torres Strait Islander Australian and the Australian Government provided $3433.
* Most government direct Indigenous expenditure related to mainstream services ($4.8 billion, 77 per cent), and Indigenous specific expenditure accounted for $1.5 billion (23 per cent) of direct expenditure.
* After adjusting for inflation, government direct expenditure per Aboriginal and Torres Strait Islander Australian increased by 29 per cent from 2008-09 to 2012-13 (from $6972 in 2008‑09 to $9008 in 2012‑13). This compares with an increase of 8 per cent in expenditure per non‑Indigenous Australian (from $3980 in 2008-09 to $4307 in 2012-13).

Figure 1 shows that changes in expenditure per person from 2008‑09 to 2012‑13 varied across expenditure categories. Nationally, after adjusting for inflation, expenditure per Aboriginal and Torres Strait Islander Australian increased by 20 per cent for *hospital services*, by 6 per cent for *public and community health services*, and by 129 per cent for *health care subsidies and support services*.

Figure 1 Australian Government *plus* State/Territory Government direct Indigenous expenditure on healthy lives, (2012-13 dollars per person) a, b, c

|  |
| --- |
| **Figure 1.  More details can be found within the text surrounding this image.** |

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

Table 1 All government direct expenditure on *healthy lives*, Australia, 2012‑13a, b, c

|  |  |  |  |
| --- | --- | --- | --- |
|  | Total expenditure $m |  | $ per persond |
|  | Indig. | Non-Indig. | Total | Indig. share |  | Indig. | Non-Indig. | Ratioe |
|  |  |  |  |  |  |  |  |  |
| Hospital services |  2 805 |  42 190 |  44 995 |  6.2 |  |  4 016 |  1 881 |  2.14 |
| Public and community health services |  1 970 |  12 074 |  14 044 |  14.0 |  |  2 821 |  538 |  5.24 |
| Health care subsidies and support services |  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** |
|  |  |  |  |  |  |  |  |  |

Table 2 Australian Government *plus* State and Territory Government direct expenditure on *healthy lives*, by government (dollars per person),
2012-13a, b, c, d

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Allstates |
|  |
| Indigenous expenditure ($ per person) |
| Aust Government |  3 794 |  3 765 |  2 354 |  2 972 |  3 745 |  6 132 |  5 391 |  4 392 |  3 433 |
| State & territory governments |  3 274 |  6 157 |  5 058 |  8 166 |  7 410 |  2 228 |  14 919 |  9 603 |  5 576 |
| **All Governments** |  **7 068** |  **9 922** |  **7 411** |  **11 138** |  **11 155** |  **8 359** |  **20 310** |  **13 995** |  **9 008** |
| Non-Indigenous expenditure ($ per person) |
| Aust Government |  2 078 |  1 956 |  1 901 |  1 644 |  2 040 |  1 783 |  2 194 |  1 376 |  1 952 |
| State & territory governments |  2 190 |  2 167 |  2 452 |  2 472 |  2 940 |  2 908 |  2 981 |  2 819 |  2 355 |
| **All governments** |  **4 268** |  **4 123** |  **4 352** |  **4 116** |  **4 980** |  **4 691** |  **5 175** |  **4 195** |  **4 307** |
|  |  |  |  |  |  |  |  |  |  |

**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 add 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.

Table 3 All government direct Indigenous expenditure on *healthy lives*, 2008-09, 2010-11, 2012-13 (2012-13 dollars)a, b, c, d

|  |  |  |  |
| --- | --- | --- | --- |
|  | Total expenditure $m |  | $ per persone |
|  | 2008-09 | 2010-11 | 2012-13 |  | 2008-09 | 2010-11 | 2012-13 |
|  |  |  |  |  |  |  |  |
| Hospital services |  |  |  |  |  |  |  |
| Indigenous expenditure | 2 158 | 2 567 | 2 805 |  | 3 357 | 3 834 | 4 016 |
| Non-Indigenous expenditure | 37 275 | 39 887 | 42 190 |  | 1 771 | 1 841 | 1 881 |
| **Total** | **39 433** | **42 454** | **44 995** |  | **1 818** | **1 901** | **1 945** |
|  |  |  |  |  |  |  |  |
| Public and community health services |
| Indigenous expenditure | 1 713 | 1 910 | 1 970 |  | 2 665 | 2 853 | 2 821 |
| Non-Indigenous expenditure | 13 421 | 14 366 | 12 074 |  | 638 | 663 | 538 |
| **Total** | **15 134** | **16 276** | **14 044** |  | **698** | **729** | **607** |
|  |  |  |  |  |  |  |  |
| Health care subsidies and support services |
| Indigenous expenditure | 610 | 1 273 | 1 516 |  | 949 | 1 902 | 2 170 |
| Non-Indigenous expenditure | 33 069 | 35 716 | 42 364 |  | 1 571 | 1 648 | 1 888 |
| **Total** | **33 679** | **36 990** | **43 880** |  | **1 553** | **1 656** | **1 897** |
|  |  |  |  |  |  |  |  |
| **Total healthy lives** |
| **Indigenous expenditure** | **4 481** | **5 751** | **6 290** |  | **6 972** | **8 588** | **9 008** |
| **Non-Indigenous expenditure** | **83 765** | **89 969** | **96 629** |  | **3 980** | **4 152** | **4 307** |
| **Total** | **88 246** | **95 720** | **102 919** |  | **4 069** | **4 285** | **4 449** |
|  |  |  |  |  |  |  |  |

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 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).e Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost.

*Source*: *2014 Indigenous Expenditure Report* database.

Additional detailed data for more specific expenditure sub-categories, individual states and territories and for mainstream and Indigenous specific expenditure are included in the 2014 Indigenous Expenditure Report database available on the project website.