

INDIGENOUS EXPENDITURE REPORT: INAUGURAL REPORT

Commissioned by the Council of Australian Governments, the *2010 Indigenous Expenditure Report* was released on 28 February 2011. To date, there has been limited information available on the level and patterns of government expenditure relating to Indigenous Australians, to support government commitments to overcome Indigenous disadvantage.

The estimates of government expenditure for 2008-09 in this report, when combined with other information (such as levels of Indigenous disadvantage) have the potential to contribute to a better understanding of the adequacy, effectiveness and efficiency of government expenditure and services relating to Indigenous Australians. The Report itself makes no assessment on the adequacy of current levels of government expenditure.

The Report provides, for the first time, comprehensive and comparable information on expenditure on both Indigenous specific services and the estimated Indigenous share of mainstream services by the Australian, State and Territory governments.

The Report estimates expenditure on services related to Indigenous Australians to be \$21.9 billion in 2008-09, or about 5.3 per cent of all government expenditure. This is higher than the Indigenous representation in the population (2.5 per cent), reflecting the greater level of disadvantage of (and greater use of government services by) Indigenous Australians.

Expenditure per head of population on services related to Indigenous Australians can be expected to be greater than for non-Indigenous Australians, given their overall significant relative disadvantage, greater eligibility for (and more intensive use of) government services, and greater cost of provision for some services.

The Steering Committee emphasises that the Report should be interpreted as a *first step*, with estimation of the Indigenous share of expenditure on mainstream services being a complex task that is new to most jurisdictions. As a consequence, reporting will be subject to a process of continual improvement.

The Report is prepared under the auspices of the Ministerial Council for Federal Financial Relations. It is overseen by a Steering Committee comprising representatives from all Australian, State and Territory Government Treasuries and specialist data agencies, and is supported by a Secretariat drawn from the Productivity Commission.

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