

The *2012 Indigenous Expenditure Report* was released on **4 September 2012**. The Report is the second 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. Estimates are provided for each level of government, Australia as a whole, and on a state and territory geographical basis, for 2008-09 and 2010-11.

The printed 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 expenditure — which are mapped at a high level to COAG's *National Indigenous Reform Agreement* building blocks. More detailed estimates for 86 expenditure categories are available electronically from the project website.

### National expenditure patterns

The *2012 Indigenous Expenditure Report* found that nationally in 2010-11:

- total government direct Indigenous expenditure was estimated to be \$25.4 billion, accounting for 5.6 per cent of total government direct expenditure nationally. Indigenous Australians make up 2.6 per cent of the Australian population
- the Australian Government accounted for \$11.5 billion (45 per cent) of direct Indigenous expenditure, with the remaining \$13.9 billion (55 per cent) provided by the State and Territory governments
- mainstream services accounted for \$19.9 billion (78 per cent) of direct Indigenous expenditure, with the remaining \$5.5 billion (22 per cent) provided through Indigenous specific (targeted) services.

Estimated expenditure per head of population was \$44 128 for Indigenous Australians, compared with \$19 589 for non-Indigenous Australians (a ratio of 2.25 to 1). The \$24 538 per person difference reflected the combined effects of:

- *greater intensity of service use (\$16 109 or 66 per cent)* — Indigenous Australians use more services per capita because of greater need, and because of population characteristics such as the younger age profile of the Indigenous population
- *additional costs of providing services (\$8429 or 34 per cent)* — it can cost more to provide services to Indigenous Australians if mainstream services are more expensive to provide (for example, because of location), or if Indigenous Australians receive targeted services in addition to mainstream services (for example, liaison officers in hospitals). Targeted services received in addition to mainstream services accounted for \$6948 per person, (82 per cent) of the additional costs of providing services to Indigenous Australians (web-table W-I.16).

# Indigenous expenditure in all states, 2010-11

There were significant variations in levels and patterns of expenditure across expenditure categories:

- *early child development, and education and training* — includes expenditure on preschool and childcare; school education; and tertiary education. The ratio of Indigenous to non-Indigenous expenditure per head of population nationally was 2.44:1 (\$6957 per Indigenous Australian compared with \$2857 per non-Indigenous Australian)
- *healthy lives* — 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 head of population nationally was 2.02:1 (\$8190 per Indigenous Australian compared with \$4054 per non-Indigenous Australian)
- *economic participation* — includes expenditure on labour and employment services and social security support. The ratio of Indigenous to non-Indigenous expenditure per head of population nationally was 1.96:1 (\$8436 per Indigenous Australian compared with \$4296 per non-Indigenous Australian)
- *home environment* — expenditure on housing services; community and environment services; and transport and communications services. The ratio of Indigenous to non-Indigenous expenditure per head of population nationally was 2.16:1 (\$4161 per Indigenous Australian compared with \$1930 per non-Indigenous Australian)
- *safe and supportive communities* — includes expenditure on public order and safety; community support and welfare; and recreation and culture. The ratio of Indigenous to non-Indigenous expenditure per head of population nationally was 4.50:1 (\$11 814 per Indigenous Australian compared with \$2624 per non-Indigenous Australian)
- *other government expenditure* — 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 head of population nationally was 1.19:1 (\$4568 per Indigenous Australian compared with \$3829 per non-Indigenous Australian).

## Interpreting the results

Estimating the Indigenous component of expenditure — especially for mainstream services — is a complex exercise, and many data quality and methodological challenges are yet to be resolved. Some of these challenges are state-specific. The interpretation of the estimates provided in the Report requires an understanding of the strengths and limitations of the data and method, as well as the context within which Indigenous services are provided. Chapters 2 and 3 of the report provide an overview of these issues, with detailed observations of issues specific to each jurisdiction provided in section 3.3.

# 2012

Information in this factsheet is from the *2012 Indigenous Expenditure Report*, published by the Steering Committee for the Review of Government Service Provision. The report can be found on the project website: [www.pc.gov.au/ier](http://www.pc.gov.au/ier). Printed copies of the report are available from Canprint Communications (ph 1300 889 873 or email: [sales@infoservices.com.au](mailto:sales@infoservices.com.au)). For further information contact the Secretariat: (03) 9653 2100.

# Indigenous expenditure in all states, 2010-11

Table 1 Australian Government *plus* State and Territory government direct expenditure, all states, 2010-11<sup>a, b, c</sup>

	Total expenditure				Expenditure per head of population <sup>d</sup>		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio <sup>e</sup>
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
<b>Early child development, and Education and training (Report chapter 4 and web-tables W-I.3 and W-I.4)</b>							
Early childhood	233	4 958	5 191	4.5	405	228	1.78
School education	3 083	38 958	42 041	7.3	5 359	1 792	2.99
Tertiary education	686	18 192	18 878	3.6	1 193	837	1.43
<b>Total</b>	<b>4 002</b>	<b>62 107</b>	<b>66 109</b>	<b>6.1</b>	<b>6 957</b>	<b>2 857</b>	<b>2.44</b>
<b>Healthy lives (Report chapter 5 and web-tables W-I.5 and W-I.6)</b>							
Hospital services	2 278	38 823	41 101	5.5	3 959	1 786	2.22
Public and community health	1 813	14 007	15 820	11.5	3 152	644	4.89
Health care subsidies and support	621	35 307	35 928	1.7	1 080	1 624	0.66
<b>Total</b>	<b>4 712</b>	<b>88 137</b>	<b>92 849</b>	<b>5.1</b>	<b>8 190</b>	<b>4 054</b>	<b>2.02</b>
<b>Economic participation (Report chapter 6 and web-tables W-I.7 and W-I.8)</b>							
Labour & employment	1 099	7 955	9 054	12.1	1 910	366	5.22
Social security support	3 755	85 438	89 193	4.2	6 527	3 930	1.66
<b>Total</b>	<b>4 853</b>	<b>93 393</b>	<b>98 247</b>	<b>4.9</b>	<b>8 436</b>	<b>4 296</b>	<b>1.96</b>
<b>Home environment (Report chapter 7 and web-tables W-I.9 and W-I.10)</b>							
Housing	982	7 655	8 637	11.4	1 708	352	4.85
Community and environment	803	13 936	14 739	5.4	1 395	641	2.18
Transport & communications	609	20 369	20 978	2.9	1 058	937	1.13
<b>Total</b>	<b>2 394</b>	<b>41 960</b>	<b>44 354</b>	<b>5.4</b>	<b>4 161</b>	<b>1 930</b>	<b>2.16</b>
<b>Safe and supportive communities (Report chapter 8 and web-tables W-I.11 and W-I.12)</b>							
Public order and safety	3 196	20 703	23 899	13.4	5 555	952	5.83
Community support & welfare	3 102	28 870	31 973	9.7	5 393	1 328	4.06
Recreation and culture	498	7 481	7 979	6.2	866	344	2.52
<b>Total</b>	<b>6 797</b>	<b>57 054</b>	<b>63 851</b>	<b>10.6</b>	<b>11 814</b>	<b>2 624</b>	<b>4.50</b>
<b>Other government expenditure (Report chapter 9 and web-tables W-I.13 and W-I.14)</b>							
General govt and defence	2 240	76 901	79 141	2.8	3 894	3 537	1.10
Support to industry	388	6 348	6 736	5.8	674	292	2.31
<b>Total</b>	<b>2 628</b>	<b>83 249</b>	<b>85 877</b>	<b>3.1</b>	<b>4 568</b>	<b>3 829</b>	<b>1.19</b>
<b>TOTAL EXPENDITURE</b>	<b>25 387</b>	<b>425 900</b>	<b>451 287</b>	<b>5.6</b>	<b>44 128</b>	<b>19 589</b>	<b>2.25</b>

<sup>a</sup> 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. <sup>b</sup> Refer to relevant chapters for more detail on the estimates and specific guidelines for the use and interpretation of these data. <sup>c</sup> Totals may not sum due to rounding. <sup>d</sup> Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. The population data used for these calculations is provided in appendix C, table C.1. <sup>e</sup> The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

Source: 2012 Indigenous Expenditure Report, web-attachment W-I ([www.pc.gov.au/ier](http://www.pc.gov.au/ier)).

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# Indigenous expenditure in all states, 2010-11

Table 2 Australian Government, and State and Territory government direct expenditure, all states, 2010-11<sup>a, b, c</sup>

	Total expenditure				Expenditure per head of population <sup>d</sup>		
	Indigenous	Non-Indigenous	Total	Indigenous share	Indigenous	Non-Indigenous	Ratio <sup>e</sup>
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
<b>Early child development, and Education and training (Report chapter 4 and web-tables W-I.3 and W-I.4)</b>							
Australian Government	803	17 530	18 334	4.4	1 397	806	1.73
State government	3 199	44 576	47 775	6.7	5 561	2 050	2.71
<b>Total</b>	<b>4 002</b>	<b>62 107</b>	<b>66 109</b>	<b>6.1</b>	<b>6 957</b>	<b>2 857</b>	<b>2.44</b>
<b>Healthy lives (Report chapter 5 and web-tables W-I.5 and W-I.6)</b>							
Australian Government	1 603	40 482	42 085	3.8	2 786	1 862	1.50
State government	3 109	47 655	50 764	6.1	5 404	2 192	2.47
<b>Total</b>	<b>4 712</b>	<b>88 137</b>	<b>92 849</b>	<b>5.1</b>	<b>8 190</b>	<b>4 054</b>	<b>2.02</b>
<b>Economic participation (Report chapter 6 and web-tables W-I.7 and W-I.8)</b>							
Australian Government	4 683	90 620	95 303	4.9	8 140	4 168	1.95
State government	170	2 774	2 944	5.8	296	128	2.32
<b>Total</b>	<b>4 853</b>	<b>93 393</b>	<b>98 247</b>	<b>4.9</b>	<b>8 436</b>	<b>4 296</b>	<b>1.96</b>
<b>Home environment (Report chapter 7 and web-tables W-I.9 and W-I.10)</b>							
Australian Government	583	11 663	12 246	4.8	1 014	536	1.89
State government	1 811	30 297	32 107	5.6	3 147	1 393	2.26
<b>Total</b>	<b>2 394</b>	<b>41 960</b>	<b>44 354</b>	<b>5.4</b>	<b>4 161</b>	<b>1 930</b>	<b>2.16</b>
<b>Safe and supportive communities (Report chapter 8 and web-tables W-I.11 and W-I.12)</b>							
Australian Government	1 970	22 979	24 949	7.9	3 425	1 057	3.24
State government	4 827	34 076	38 902	12.4	8 390	1 567	5.35
<b>Total</b>	<b>6 797</b>	<b>57 054</b>	<b>63 851</b>	<b>10.6</b>	<b>11 814</b>	<b>2 624</b>	<b>4.50</b>
<b>Other government expenditure (Report chapter 9 and web-tables W-I.13 and W-I.14)</b>							
Australian Government	1 855	62 810	64 665	2.9	3 225	2 889	1.12
State government	773	20 439	21 212	3.6	1 344	940	1.43
<b>Total</b>	<b>2 628</b>	<b>83 249</b>	<b>85 877</b>	<b>3.1</b>	<b>4 568</b>	<b>3 829</b>	<b>1.19</b>
<b>All direct expenditure (web-tables W-I.1 and W-I.2)</b>							
Australian Government	11 498	246 083	257 582	4.5	19 986	11 319	1.77
State government	13 889	179 817	193 705	7.2	24 142	8 271	2.92
<b>Total</b>	<b>25 387</b>	<b>425 900</b>	<b>451 287</b>	<b>5.6</b>	<b>44 128</b>	<b>19 589</b>	<b>2.25</b>

<sup>a</sup> 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. <sup>b</sup> Refer to relevant chapters for more detail on the estimates and specific guidelines for the use and interpretation of these data. <sup>c</sup> Totals may not sum due to rounding. <sup>d</sup> Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. The population data used for these calculations is provided in appendix C, table C.1. <sup>e</sup> The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

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