

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.

### Expenditure patterns in the New South Wales

The *2012 Indigenous Expenditure Report* found that in New South Wales in 2010-11:

- total government direct Indigenous expenditure was estimated to be \$6.1 billion, accounting for 4.4 per cent of total government direct expenditure in New South Wales. Indigenous Australians make up 2.3 per cent of the New South Wales population
- the Australian Government accounted for \$2.9 billion (48 per cent) of direct Indigenous expenditure, with the remaining \$3.2 billion (52 per cent) provided by the NSW Government
- mainstream services accounted for \$5.2 billion (85 per cent) of direct Indigenous expenditure, with the remaining \$903 million (15 per cent) provided through Indigenous specific (targeted) services.

Estimated expenditure per head of population was \$36 174 for Indigenous Australians, compared with \$18 819 for non-Indigenous Australians (a ratio of 1.92:1). The \$17 355 per person difference reflected the combined effects of:

- *greater intensity of service use (\$13 163 or 76 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 (\$4192 or 24 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 \$3481 per person, (83 per cent) of the additional costs of providing services to Indigenous Australians in New South Wales (web-table W-A.16).

# Indigenous expenditure in New South Wales, 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 in New South Wales was 2.53:1 (\$6278 per Indigenous Australian compared with \$2480 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 in New South Wales was 1.43:1 (\$5684 per Indigenous Australian compared with \$3981 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 in New South Wales was 1.70:1 (\$7367 per Indigenous Australian compared with \$4337 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 in New South Wales was 1.61:1 (\$2791 per Indigenous Australian compared with \$1737 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 in New South Wales was 4.03:1 (\$10 284 per Indigenous Australian compared with \$2551 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 in New South Wales was 1.01:1 (\$3770 per Indigenous Australian compared with \$3733 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 New South Wales, 2010-11

Table 1 Australian Government *plus* NSW Government direct expenditure, New South Wales, 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-A.3 and W-A.4)</b>							
Early childhood	58	1 510	1 568	3.7	345	215	1.60
School education	806	10 257	11 063	7.3	4 776	1 458	3.27
Tertiary education	195	5 671	5 866	3.3	1 157	806	1.43
<b>Total</b>	<b>1 059</b>	<b>17 438</b>	<b>18 498</b>	<b>5.7</b>	<b>6 278</b>	<b>2 480</b>	<b>2.53</b>
<b>Healthy lives (Report chapter 5 and web-tables W-A.5 and W-A.6)</b>							
Hospital services	457	11 769	12 226	3.7	2 709	1 673	1.62
Public and community health	320	4 426	4 746	6.7	1 894	629	3.01
Health care subsidies and support	182	11 805	11 988	1.5	1 081	1 679	0.64
<b>Total</b>	<b>959</b>	<b>28 000</b>	<b>28 960</b>	<b>3.3</b>	<b>5 684</b>	<b>3 981</b>	<b>1.43</b>
<b>Economic participation (Report chapter 6 and web-tables W-A.7 and W-A.8)</b>							
Labour & employment	179	2 642	2 820	6.3	1 058	376	2.82
Social security support	1 065	27 857	28 922	3.7	6 310	3 961	1.59
<b>Total</b>	<b>1 243</b>	<b>30 499</b>	<b>31 742</b>	<b>3.9</b>	<b>7 367</b>	<b>4 337</b>	<b>1.70</b>
<b>Home environment (Report chapter 7 and web-tables W-A.9 and W-A.10)</b>							
Housing	234	2 542	2 776	8.4	1 389	361	3.84
Community and environment	95	3 591	3 686	2.6	564	511	1.11
Transport & communications	141	6 085	6 226	2.3	837	865	0.97
<b>Total</b>	<b>471</b>	<b>12 218</b>	<b>12 689</b>	<b>3.7</b>	<b>2 791</b>	<b>1 737</b>	<b>1.61</b>
<b>Safe and supportive communities (Report chapter 8 and web-tables W-A.11 and W-A.12)</b>							
Public order and safety	795	6 559	7 355	10.8	4 713	933	5.05
Community support & welfare	848	9 172	10 021	8.5	5 027	1 304	3.85
Recreation and culture	92	2 207	2 299	4.0	545	314	1.74
<b>Total</b>	<b>1 736</b>	<b>17 938</b>	<b>19 674</b>	<b>8.8</b>	<b>10 284</b>	<b>2 551</b>	<b>4.03</b>
<b>Other government expenditure (Report chapter 9 and web-tables W-A.13 and W-A.14)</b>							
General govt and defence	592	24 418	25 010	2.4	3 505	3 472	1.01
Support to industry	45	1 838	1 883	2.4	265	261	1.02
<b>Total</b>	<b>636</b>	<b>26 256</b>	<b>26 893</b>	<b>2.4</b>	<b>3 770</b>	<b>3 733</b>	<b>1.01</b>
<b>TOTAL EXPENDITURE</b>	<b>6 105</b>	<b>132 350</b>	<b>138 455</b>	<b>4.4</b>	<b>36 174</b>	<b>18 819</b>	<b>1.92</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-A ([www.pc.gov.au/ier](http://www.pc.gov.au/ier)).

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# Indigenous expenditure in New South Wales, 2010-11

Table 2 Australian Government and NSW Government direct expenditure, New South Wales, 2010-11<sup>a, b, c</sup>

	Total expenditure			Indig. share	Expenditure per head of population <sup>d</sup>		
	Indig.	Non-Indig.	Total		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-A.3 and W-A.4)</b>							
Australian Government	242	5 645	5 886	4.1	1 432	803	1.78
NSW Government	818	11 793	12 611	6.5	4 846	1 677	2.89
<b>Total</b>	<b>1 059</b>	<b>17 438</b>	<b>18 498</b>	<b>5.7</b>	<b>6 278</b>	<b>2 480</b>	<b>2.53</b>
<b>Healthy lives (Report chapter 5 and web-tables W-A.5 and W-A.6)</b>							
Australian Government	337	13 707	14 044	2.4	1 995	1 949	1.02
NSW Government	623	14 293	14 916	4.2	3 689	2 032	1.82
<b>Total</b>	<b>959</b>	<b>28 000</b>	<b>28 960</b>	<b>3.3</b>	<b>5 684</b>	<b>3 981</b>	<b>1.43</b>
<b>Economic participation (Report chapter 6 and web-tables W-A.7 and W-A.8)</b>							
Australian Government	1 213	29 383	30 596	4.0	7 187	4 178	1.72
NSW Government	30	1 116	1 146	2.7	180	159	1.14
<b>Total</b>	<b>1 243</b>	<b>30 499</b>	<b>31 742</b>	<b>3.9</b>	<b>7 367</b>	<b>4 337</b>	<b>1.70</b>
<b>Home environment (Report chapter 7 and web-tables W-A.9 and W-A.10)</b>							
Australian Government	153	3 758	3 911	3.9	909	534	1.70
NSW Government	318	8 460	8 778	3.6	1 882	1 203	1.56
<b>Total</b>	<b>471</b>	<b>12 218</b>	<b>12 689</b>	<b>3.7</b>	<b>2 791</b>	<b>1 737</b>	<b>1.61</b>
<b>Safe and supportive communities (Report chapter 8 and web-tables W-A.11 and W-A.12)</b>							
Australian Government	490	7 470	7 960	6.2	2 903	1 062	2.73
NSW Government	1 246	10 469	11 714	10.6	7 381	1 489	4.96
<b>Total</b>	<b>1 736</b>	<b>17 938</b>	<b>19 674</b>	<b>8.8</b>	<b>10 284</b>	<b>2 551</b>	<b>4.03</b>
<b>Other government expenditure (Report chapter 9 and web-tables W-A.13 and W-A.14)</b>							
Australian Government	493	20 318	20 811	2.4	2 920	2 889	1.01
NSW Government	144	5 939	6 082	2.4	850	844	1.01
<b>Total</b>	<b>636</b>	<b>26 256</b>	<b>26 893</b>	<b>2.4</b>	<b>3 770</b>	<b>3 733</b>	<b>1.01</b>
<b>All direct expenditure (web-tables W-A.1 and W-A.2)</b>							
Australian Government	2 927	80 280	83 207	3.5	17 346	11 415	1.52
NSW Government	3 178	52 070	55 248	5.8	18 829	7 404	2.54
<b>Total</b>	<b>6 105</b>	<b>132 350</b>	<b>138 455</b>	<b>4.4</b>	<b>36 174</b>	<b>18 819</b>	<b>1.92</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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