

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 Victoria

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

- total government direct Indigenous expenditure was estimated to be \$1.6 billion, accounting for 1.5 per cent of total government direct expenditure in Victoria. Indigenous Australians make up 0.7 per cent of the Victorian population
- the Australian Government accounted for \$686 million (42 per cent) of direct Indigenous expenditure, with the remaining \$935 million (58 per cent) provided by the Victorian Government
- mainstream services accounted for \$1.3 billion (78 per cent) of direct Indigenous expenditure, with the remaining \$354 million (22 per cent) provided through Indigenous specific (targeted) services.

Estimated expenditure per head of population was \$43 049 for Indigenous Australians, compared with \$19 279 for non-Indigenous Australians (a ratio of 2.23:1). The \$23 770 per person difference reflected the combined effects of:

- *greater intensity of service use (\$15 211 or 64 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 (\$8559 or 36 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 \$7232 per person, (84 per cent) of the additional costs of providing services to Indigenous Australians in Victoria (web-table W-B.16).

Indigenous expenditure in Victoria, 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 Victoria was 2.38:1 (\$7174 per Indigenous Australian compared with \$3013 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 Victoria was 2.02:1 (\$7645 per Indigenous Australian compared with \$3785 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 Victoria was 1.61:1 (\$6915 per Indigenous Australian compared with \$4287 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 Victoria was 1.74:1 (\$3451 per Indigenous Australian compared with \$1980 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 Victoria was 5.27:1 (\$14 336 per Indigenous Australian compared with \$2719 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 Victoria was 1.01:1 (\$3527 per Indigenous Australian compared with \$3495 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.

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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. Printed copies of the report are available from Canprint Communications (ph 1300 889 873 or email: sales@infoservices.com.au). For further information contact the Secretariat: (03) 9653 2100.

Indigenous expenditure in Victoria, 2010-11

Table 1 Australian Government *plus* Victorian Government direct expenditure, Victoria, 2010-11^{a, b, c}

	Total expenditure				Expenditure per head of population ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
Early child development, and Education and training (Report chapter 4 and web-tables W-B.3 and W-B.4)							
Early childhood	15	1 150	1 164	1.2	386	210	1.84
School education	187	10 100	10 287	1.8	4 970	1 844	2.70
Tertiary education	68	5 256	5 324	1.3	1 819	959	1.90
Total	270	16 506	16 776	1.6	7 174	3 013	2.38
Healthy lives (Report chapter 5 and web-tables W-B.5 and W-B.6)							
Hospital services	125	9 652	9 777	1.3	3 327	1 762	1.89
Public and community health	124	3 039	3 163	3.9	3 288	555	5.93
Health care subsidies and support	39	8 045	8 084	0.5	1 029	1 469	0.70
Total	288	20 736	21 024	1.4	7 645	3 785	2.02
Economic participation (Report chapter 6 and web-tables W-B.7 and W-B.8)							
Labour & employment	39	1 898	1 937	2.0	1 046	346	3.02
Social security support	221	21 585	21 806	1.0	5 869	3 940	1.49
Total	260	23 483	23 743	1.1	6 915	4 287	1.61
Home environment (Report chapter 7 and web-tables W-B.9 and W-B.10)							
Housing	39	1 612	1 651	2.3	1 027	294	3.49
Community and environment	49	3 770	3 819	1.3	1 307	688	1.90
Transport & communications	42	5 467	5 509	0.8	1 118	998	1.12
Total	130	10 849	10 979	1.2	3 451	1 980	1.74
Safe and supportive communities (Report chapter 8 and web-tables W-B.11 and W-B.12)							
Public order and safety	225	5 387	5 612	4.0	5 987	983	6.09
Community support & welfare	288	7 966	8 253	3.5	7 642	1 454	5.26
Recreation and culture	27	1 540	1 567	1.7	706	281	2.51
Total	540	14 893	15 432	3.5	14 336	2 719	5.27
Other government expenditure (Report chapter 9 and web-tables W-B.13 and W-B.14)							
General govt and defence	124	17 892	18 016	0.7	3 291	3 266	1.01
Support to industry	9	1 253	1 262	0.7	237	229	1.04
Total	133	19 145	19 278	0.7	3 527	3 495	1.01
TOTAL EXPENDITURE	1 621	105 612	107 233	1.5	43 049	19 279	2.23

^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 relevant chapters 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 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. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

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

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Indigenous expenditure in Victoria, 2010-11

Table 2 Australian Government and Victorian Government direct expenditure, Victoria, 2010-11^{a, b, c}

	Total expenditure			Indig. share	Expenditure per head of population ^d		
	Indig.	Non-Indig.	Total		Indig.	Non-Indig.	Ratio ^e
	\$m	\$m	\$m	%	\$/person	\$/person	ratio
Early child development, and Education and training (Report chapter 4 and web-tables W-B.3 and W-B.4)							
Australian Government	59	4 608	4 668	1.3	1 578	841	1.88
Victorian Government	211	11 898	12 108	1.7	5 597	2 172	2.58
Total	270	16 506	16 776	1.6	7 174	3 013	2.38
Healthy lives (Report chapter 5 and web-tables W-B.5 and W-B.6)							
Australian Government	100	9 248	9 348	1.1	2 659	1 688	1.58
Victorian Government	188	11 488	11 676	1.6	4 986	2 097	2.38
Total	288	20 736	21 024	1.4	7 645	3 785	2.02
Economic participation (Report chapter 6 and web-tables W-B.7 and W-B.8)							
Australian Government	252	22 989	23 241	1.1	6 689	4 197	1.59
Victorian Government	9	494	502	1.7	226	90	2.51
Total	260	23 483	23 743	1.1	6 915	4 287	1.61
Home environment (Report chapter 7 and web-tables W-B.9 and W-B.10)							
Australian Government	34	2 815	2 849	1.2	904	514	1.76
Victorian Government	96	8 034	8 130	1.2	2 547	1 467	1.74
Total	130	10 849	10 979	1.2	3 451	1 980	1.74
Safe and supportive communities (Report chapter 8 and web-tables W-B.11 and W-B.12)							
Australian Government	130	5 916	6 046	2.2	3 465	1 080	3.21
Victorian Government	409	8 977	9 386	4.4	10 871	1 639	6.63
Total	540	14 893	15 432	3.5	14 336	2 719	5.27
Other government expenditure (Report chapter 9 and web-tables W-B.13 and W-B.14)							
Australian Government	110	15 826	15 936	0.7	2 918	2 889	1.01
Victorian Government	23	3 319	3 342	0.7	610	606	1.01
Total	133	19 145	19 278	0.7	3 527	3 495	1.01
All direct expenditure (web-tables W-B.1 and W-B.2)							
Australian Government	686	61 403	62 089	1.1	18 212	11 209	1.62
Victorian Government	935	44 209	45 144	2.1	24 837	8 070	3.08
Total	1 621	105 612	107 233	1.5	43 049	19 279	2.23

^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 relevant chapters 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 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. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

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