

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 Western Australia

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

- total government direct Indigenous expenditure was estimated to be \$4.0 billion, accounting for 8.4 per cent of total government direct expenditure in Western Australia. Indigenous Australians make up 3.4 per cent of the Western Australian population
- the Australian Government accounted for \$1.6 billion (41 per cent) of direct Indigenous expenditure, with the remaining \$2.3 billion (59 per cent) provided by the WA Government
- mainstream services accounted for \$3.1 billion (79 per cent) of direct Indigenous expenditure, with the remaining \$817 million (21 per cent) provided through Indigenous specific (targeted) services.

Estimated expenditure per head of population was \$50 978 for Indigenous Australians, compared with \$19 512 for non-Indigenous Australians (a ratio of 2.61:1). The \$31 465 per person difference reflected the combined effects of:

- *greater intensity of service use (\$21 479 or 68 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 (\$9986 or 32 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 \$7672 per person, (77 per cent) of the additional costs of providing services to Indigenous Australians in Western Australia (web-table W-D.16).

Indigenous expenditure in Western Australia, 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 Western Australia was 2.46:1 (\$7800 per Indigenous Australian compared with \$3175 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 Western Australia was 2.19:1 (\$9403 per Indigenous Australian compared with \$4290 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 Western Australia was 2.81:1 (\$10 204 per Indigenous Australian compared with \$3626 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 Western Australia was 1.76:1 (\$3758 per Indigenous Australian compared with \$2131 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 Western Australia was 5.99:1 (\$15 927 per Indigenous Australian compared with \$2659 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 Western Australia was 1.07:1 (\$3886 per Indigenous Australian compared with \$3632 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 Western Australia, 2010-11

Table 1 Australian Government *plus* WA Government direct expenditure, Western Australia, 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-D.3 and W-D.4)							
Early childhood	30	451	482	6.2	387	204	1.90
School education	483	4 696	5 179	9.3	6 215	2 121	2.93
Tertiary education	93	1 884	1 977	4.7	1 198	851	1.41
Total	606	7 031	7 637	7.9	7 800	3 175	2.46
Healthy lives (Report chapter 5 and web-tables W-D.5 and W-D.6)							
Hospital services	384	3 571	3 954	9.7	4 937	1 612	3.06
Public and community health	231	1 486	1 717	13.4	2 970	671	4.43
Health care subsidies and support	116	4 444	4 560	2.5	1 496	2 007	0.75
Total	731	9 500	10 231	7.1	9 403	4 290	2.19
Economic participation (Report chapter 6 and web-tables W-D.7 and W-D.8)							
Labour & employment	214	816	1 030	20.8	2 759	369	7.49
Social security support	578	7 212	7 791	7.4	7 445	3 257	2.29
Total	793	8 028	8 821	9.0	10 204	3 626	2.81
Home environment (Report chapter 7 and web-tables W-D.9 and W-D.10)							
Housing	97	567	663	14.6	1 248	256	4.88
Community and environment	129	2 390	2 519	5.1	1 655	1 080	1.53
Transport & communications	66	1 761	1 828	3.6	856	795	1.08
Total	292	4 718	5 010	5.8	3 758	2 131	1.76
Safe and supportive communities (Report chapter 8 and web-tables W-D.11 and W-D.12)							
Public order and safety	725	2 414	3 139	23.1	9 330	1 090	8.56
Community support & welfare	430	2 483	2 914	14.8	5 541	1 121	4.94
Recreation and culture	82	990	1 072	7.7	1 057	447	2.36
Total	1 237	5 887	7 125	17.4	15 927	2 659	5.99
Other government expenditure (Report chapter 9 and web-tables W-D.13 and W-D.14)							
General govt and defence	269	7 191	7 460	3.6	3 462	3 247	1.07
Support to industry	33	851	884	3.7	424	384	1.10
Total	302	8 041	8 343	3.6	3 886	3 632	1.07
TOTAL EXPENDITURE	3 961	43 207	47 167	8.4	50 978	19 512	2.61

^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-D (www.pc.gov.au/ier).

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Indigenous expenditure in Western Australia, 2010-11

Table 2 Australian Government and WA Government direct expenditure, Western Australia, 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-D.3 and W-D.4)							
Australian Government	101	1 580	1 681	6.0	1 300	714	1.82
WA Government	505	5 451	5 956	8.5	6 500	2 462	2.64
Total	606	7 031	7 637	7.9	7 800	3 175	2.46
Healthy lives (Report chapter 5 and web-tables W-D.5 and W-D.6)							
Australian Government	212	4 579	4 791	4.4	2 730	2 068	1.32
WA Government	518	4 921	5 439	9.5	6 672	2 222	3.00
Total	731	9 500	10 231	7.1	9 403	4 290	2.19
Economic participation (Report chapter 6 and web-tables W-D.7 and W-D.8)							
Australian Government	777	7 753	8 530	9.1	10 004	3 501	2.86
WA Government	16	275	291	5.3	200	124	1.61
Total	793	8 028	8 821	9.0	10 204	3 626	2.81
Home environment (Report chapter 7 and web-tables W-D.9 and W-D.10)							
Australian Government	60	1 141	1 201	5.0	776	515	1.51
WA Government	232	3 578	3 809	6.1	2 982	1 616	1.85
Total	292	4 718	5 010	5.8	3 758	2 131	1.76
Safe and supportive communities (Report chapter 8 and web-tables W-D.11 and W-D.12)							
Australian Government	247	1 924	2 171	11.4	3 176	869	3.66
WA Government	991	3 964	4 954	20.0	12 751	1 790	7.12
Total	1 237	5 887	7 125	17.4	15 927	2 659	5.99
Other government expenditure (Report chapter 9 and web-tables W-D.13 and W-D.14)							
Australian Government	227	6 397	6 624	3.4	2 917	2 889	1.01
WA Government	75	1 644	1 720	4.4	969	743	1.30
Total	302	8 041	8 343	3.6	3 886	3 632	1.07
All direct expenditure (web-tables W-D.1 and W-D.2)							
Australian Government	1 624	23 374	24 998	6.5	20 904	10 556	1.98
WA Government	2 337	19 833	22 169	10.5	30 074	8 957	3.36
Total	3 961	43 207	47 167	8.4	50 978	19 512	2.61

^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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