

The 2014 *Indigenous Expenditure Report* was released on 12 December 2014. The Report is the third 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.

The 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 services.

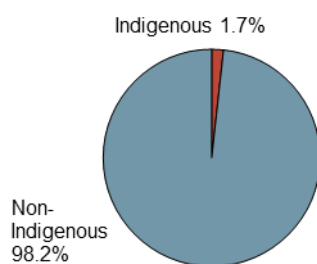
More detailed estimates and data for previous years are available from the project website.

Interpreting the results

Estimating the Indigenous component of expenditure – especially for mainstream services – is complex, and many data quality and methodological challenges are yet to be resolved. Some of these challenges are state-and territory specific. The Report provides information to assist in interpreting the estimates, including the strengths and limitations of the data and method and the context in which services are provided.

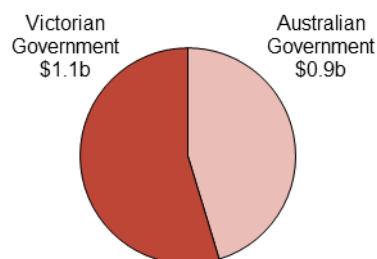
Expenditure patterns in Victoria in 2012-13

Figure 1. Total government direct expenditure



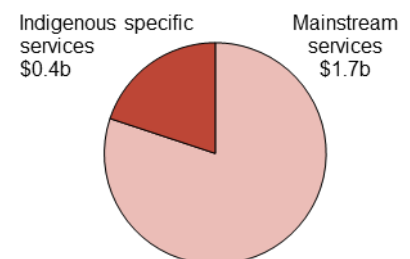
Total government direct Indigenous expenditure was estimated to be \$2.1 billion, accounting for 1.7 per cent of total government direct expenditure in Victoria.

Figure 2. Funding source of total government direct expenditure



The Australian Government accounted for \$945 million (45 per cent) of direct Indigenous expenditure, with the remaining \$1.1 billion (55 per cent) provided by the Victorian Government.

Figure 3. Composition of direct Indigenous expenditure



Mainstream services accounted for \$1.7 billion (80 per cent) of direct Indigenous expenditure, with the remaining \$415 million (20 per cent) provided through Indigenous specific (targeted) services.

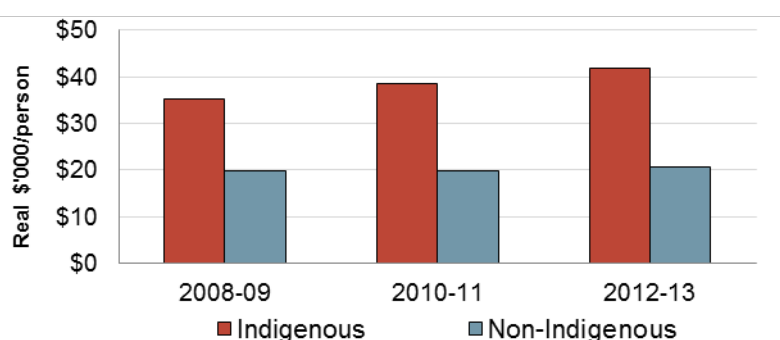
Victoria

Expenditure per person in Victoria

Aboriginal and Torres Strait Islander Australians made up 0.9 per cent of the Victorian population at 30 June 2013.

Estimated expenditure per person in 2012-13 was \$41 958 for Aboriginal and Torres Strait Islander Australians, compared with \$20 696 for non-Indigenous Australians (a ratio of 2.03:1). Between 2008-09 and 2012-13, total government direct Indigenous expenditure increased by \$516 million (33 per cent) in real terms, equivalent to an increase of \$6797 per person (see figure 4).

Figure 4. Total government direct expenditure per person in Victoria^{a, b, c}



^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 Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. ^c Expenditure for 2008-09 and 2010-11 has been expressed in real (constant 2012-13 dollars) terms using the General Government Final Consumption Expenditure deflator (chain price index).

Source: 2014 Indigenous Expenditure Report database

The \$21 261 per person difference in expenditure between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians in 2012-13 reflected the combined effects of:

- *greater intensity of service use* (\$14 097 or 66 per cent) – Aboriginal and Torres Strait Islander Australians, on average, use more services per person because of greater need, and because of population characteristics such as the younger age profile of the Aboriginal and Torres Strait Islander population
- *higher costs of providing services* (\$7164 or 34 per cent) – it can cost more to provide services to Aboriginal and Torres Strait Islander Australians if mainstream services are more expensive to provide (for example, because of location), or if Aboriginal and Torres Strait Islander Australians receive targeted services in addition to mainstream services (for example, liaison officers in hospitals).

2014

Information in this factsheet is from the *2014 Indigenous Expenditure Report*, published by the Steering Committee for the Review of Government Provision. The Report can be found on the project website: www.pc.gov.au/research/recurring/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.

Victoria

Variations in expenditure in Victoria over the six broad areas

There were significant variations in levels and patterns of expenditure across expenditure categories in 2012-13.

Early child development, and education and training

This includes expenditure on preschool and childcare; school education; and tertiary education.

The ratio of Indigenous to non-Indigenous expenditure per person in Victoria was 2.07:1 (\$6301 per Aboriginal and Torres Strait Islander Australian compared with \$3047 per non-Indigenous Australian).

Healthy lives

This 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 person in Victoria was 2.41:1 (\$9922 per Aboriginal and Torres Strait Islander Australian compared with \$4123 per non-Indigenous Australian).

Economic participation

This includes expenditure on labour and employment services and social security support.

The ratio of Indigenous to non-Indigenous expenditure per person in Victoria was 1.44:1 (\$6997 per Aboriginal and Torres Strait Islander Australian compared with \$4854 per non-Indigenous Australian).

Home environment

This includes expenditure on housing services; community and environment services; and transport and communications services.

The ratio of Indigenous to non-Indigenous expenditure per person in Victoria was 1.76:1 (\$3629 per Aboriginal and Torres Strait Islander Australian compared with \$2065 per non-Indigenous Australian).

Safe and supportive communities

This includes expenditure on public order and safety; community support and welfare; and recreation and culture.

The ratio of Indigenous to non-Indigenous expenditure per person in Victoria was 3.94:1 (\$11 367 per Aboriginal and Torres Strait Islander Australian compared with \$2884 per non-Indigenous Australian).

Other government expenditure

This 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 person in Victoria was 1.00:1 (\$3741 per Aboriginal and Torres Strait Islander Australian compared with \$3724 per non-Indigenous Australian).

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Victoria

Table 1 Australian Government *plus* Victorian Government direct expenditure, Victoria, 2012-13^{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							
Early childhood	24	1 397	1 421	1.7	474	246	1.93
School education	202	10 020	10 221	2.0	4 054	1 761	2.30
Tertiary education	88	5 917	6 005	1.5	1 772	1 040	1.70
Total	313	17 334	17 647	1.8	6 301	3 047	2.07
Healthy lives							
Hospital services	151	10 065	10 215	1.5	3 030	1 769	1.71
Public and community health	261	2 640	2 901	9.0	5 244	464	11.30
Health care subsidies & support	82	10 753	10 835	0.8	1 649	1 890	0.87
Total	493	23 458	23 951	2.1	9 922	4 123	2.41
Economic participation							
Labour & employment	70	2 737	2 807	2.5	1 400	481	2.91
Social security support	278	24 878	25 157	1.1	5 598	4 373	1.28
Total	348	27 616	27 964	1.2	6 997	4 854	1.44
Home environment							
Housing	68	1 468	1 535	4.4	1 361	258	5.27
Community and environment	61	4 305	4 366	1.4	1 231	757	1.63
Transport & communications	52	5 975	6 027	0.9	1 037	1 050	0.99
Total	180	11 748	11 928	1.5	3 629	2 065	1.76
Safe and supportive communities							
Public order and safety	251	5 800	6 052	4.3	5 053	1 019	4.96
Community support & welfare	293	9 026	9 319	3.1	5 903	1 586	3.72
Recreation and culture	20	1 585	1 605	1.3	411	279	1.48
Total	565	16 411	16 976	3.3	11 367	2 884	3.94
Other government expenditure							
General govt and defence	168	19 238	19 406	0.9	3 386	3 381	1.00
Support to industry	18	1 949	1 967	0.9	355	343	1.04
Total	186	21 187	21 373	0.9	3 741	3 724	1.00
TOTAL EXPENDITURE	2 086	117 754	119 840	1.7	41 958	20 696	2.03

^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 the Report 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. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

Source: 2014 Indigenous Expenditure Report database.

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Victoria

Table 2 Australian Government and Victorian Government direct expenditure, Victoria, 2012-13^{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							
Australian Government	71	4 914	4 985	1.4	1 430	864	1.66
Vic Government	242	12 420	12 662	1.9	4 871	2 183	2.23
Total	313	17 334	17 647	1.8	6 301	3 047	2.07
Healthy lives							
Australian Government	187	11 128	11 315	1.7	3 765	1 956	1.93
Vic Government	306	12 330	12 636	2.4	6 157	2 167	2.84
Total	493	23 458	23 951	2.1	9 922	4 123	2.41
Economic participation							
Australian Government	330	26 869	27 199	1.2	6 637	4 722	1.41
Vic Government	18	747	765	2.3	361	131	2.75
Total	348	27 616	27 964	1.2	6 997	4 854	1.44
Home environment							
Australian Government	48	3 483	3 531	1.4	963	612	1.57
Vic Government	133	8 265	8 397	1.6	2 666	1 453	1.84
Total	180	11 748	11 928	1.5	3 629	2 065	1.76
Safe and supportive communities							
Australian Government	153	6 573	6 727	2.3	3 087	1 155	2.67
Vic Government	412	9 838	10 250	4.0	8 280	1 729	4.79
Total	565	16 411	16 976	3.3	11 367	2 884	3.94
Other government expenditure							
Australian Government	155	17 765	17 920	0.9	3 127	3 122	1.00
Vic Government	31	3 422	3 453	0.9	614	601	1.02
Total	186	21 187	21 373	0.9	3 741	3 724	1.00
All direct expenditure							
Australian Government	945	70 732	71 677	1.3	19 010	12 432	1.53
Vic Government	1 141	47 022	48 163	2.4	22 948	8 265	2.78
Total	2 086	117 754	119 840	1.7	41 958	20 696	2.03

^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 the Report 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. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person.

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Victoria

Table 3 Real Australian Government and Victorian Government direct expenditure, Victoria, 2008-09, 2010-11, 2012-13 (2012-13 dollars)^{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
All direct expenditure 2008-09^f							
Australian Government	698	64 320	65 019	1.1	15 641	12 074	1.30
Vic Government	871	42 129	43 000	2.0	19 520	7 908	2.47
Total	1 570	106 449	108 019	1.5	35 161	19 982	1.76
All direct expenditure 2010-11^f							
Australian Government	762	64 192	64 954	1.2	16 106	11 691	1.38
Vic Government	1 057	45 418	46 475	2.3	22 322	8 272	2.70
Total	1 819	109 610	111 429	1.6	38 428	19 964	1.92
All direct expenditure 2012-13							
Australian Government	945	70 732	71 677	1.3	19 010	12 432	1.53
Vic Government	1 141	47 022	48 163	2.4	22 948	8 265	2.78
Total	2 086	117 754	119 840	1.7	41 958	20 696	2.03

^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 the Report 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. ^e The ratio of total Indigenous expenditure per person to total non-Indigenous expenditure per person. ^f Expenditure for 2008-09 and 2010-11 has been expressed in real (constant 2012-13 dollars) terms using the General Government Final Consumption Expenditure deflator (chain price index).

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