

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.

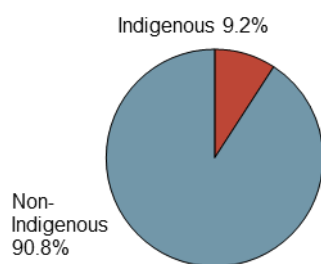
More detailed estimates and data for previous years are available from the project website.

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.

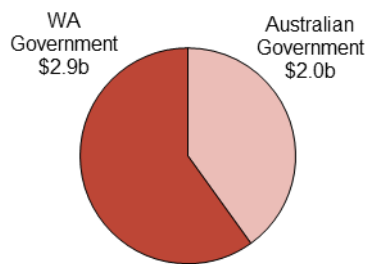
Expenditure patterns in Western Australia in 2012-13

Figure 1. Total government direct expenditure



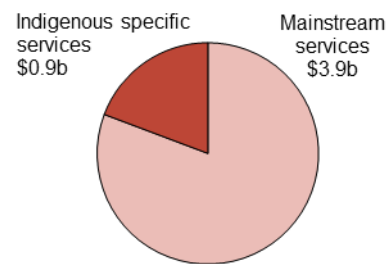
Total government direct Indigenous expenditure was estimated to be \$4.9 billion, accounting for 9.2 per cent of total government direct expenditure in Western Australia.

Figure 2. Funding source of total government direct expenditure



The Australian Government accounted for \$2.0 billion (40 per cent) of direct Indigenous expenditure, with the remaining \$2.9 billion (60 per cent) provided by the Western Australian Government

Figure 3. Composition of direct Indigenous expenditure



Mainstream services accounted for \$3.9 billion (81 per cent) of direct Indigenous expenditure, with the remaining \$939 million (19 per cent) provided through Indigenous specific (targeted) services.

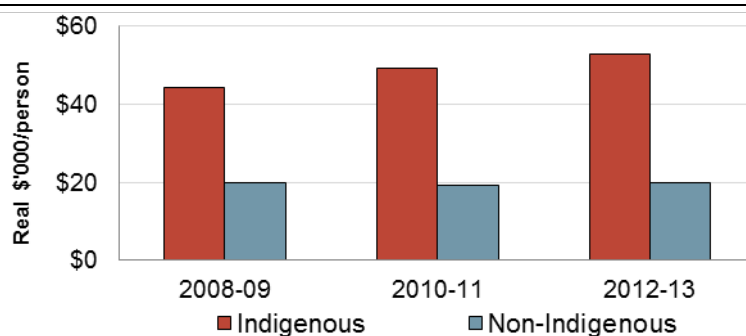
Western Australia

Expenditure per person in Western Australia

Aboriginal and Torres Strait Islander Australians made up 3.6 per cent of the Western Australian population at 30 June 2013.

Estimated expenditure per person in 2012-13 was \$52 991 for Aboriginal and Torres Strait Islander Australians, compared with \$19 889 for non-Indigenous Australians (a ratio of 2.66:1). Between 2008-09 and 2012-13, total government direct Indigenous expenditure increased by \$1.1 billion (29 per cent) in real terms, equivalent to an increase of \$8654 per person (see figure 4).

Figure 4. Total government direct expenditure per person in Western Australia^{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 \$33 102 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* (\$23 646 or 71 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* (\$9456 or 29 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).

Variations in expenditure in Western Australia 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.

2014

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Western Australia

The ratio of Indigenous to non-Indigenous expenditure per person in Western Australia was 2.32:1 (\$7227 per Aboriginal and Torres Strait Islander Australian compared with \$3116 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 Western Australia was 2.71:1 (\$11 138 per Aboriginal and Torres Strait Islander Australian compared with \$4116 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 Western Australia was 2.48:1 (\$9322 per Aboriginal and Torres Strait Islander Australian compared with \$3765 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 Western Australia was 2.38:1 (\$5030 per Aboriginal and Torres Strait Islander Australian compared with \$2117 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 Western Australia was 5.61:1 (\$15 838 per Aboriginal and Torres Strait Islander Australian compared with \$2824 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 Western Australia was 1.12:1 (\$4436 per Aboriginal and Torres Strait Islander Australian compared with \$3951 per non-Indigenous Australian).

2014

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Western Australia

Table 1 Australian Government *plus* Western Australian Government direct expenditure, Western Australia, 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	39	543	582	6.7	423	224	1.89
School education	522	4 903	5 426	9.6	5 682	2 020	2.81
Tertiary education	103	2 118	2 221	4.6	1 122	872	1.29
Total	664	7 564	8 229	8.1	7 227	3 116	2.32
Healthy lives							
Hospital services	597	4 330	4 927	12.1	6 492	1 784	3.64
Public and community health	247	1 376	1 623	15.2	2 691	567	4.75
Health care subsidies & support	180	4 286	4 466	4.0	1 955	1 766	1.11
Total	1 024	9 992	11 016	9.3	11 138	4 116	2.71
Economic participation							
Labour & employment	177	1 137	1 315	13.5	1 931	468	4.12
Social security support	679	8 002	8 681	7.8	7 391	3 297	2.24
Total	857	9 139	9 996	8.6	9 322	3 765	2.48
Home environment							
Housing	177	604	781	22.7	1 926	249	7.74
Community and environment	214	2 662	2 876	7.4	2 330	1 097	2.13
Transport & communications	71	1 872	1 943	3.7	773	771	1.00
Total	462	5 138	5 600	8.3	5 030	2 117	2.38
Safe and supportive communities							
Public order and safety	794	2 566	3 360	23.6	8 638	1 057	8.17
Community support & welfare	577	3 125	3 702	15.6	6 274	1 288	4.87
Recreation and culture	85	1 164	1 249	6.8	925	480	1.93
Total	1 455	6 855	8 311	17.5	15 838	2 824	5.61
Other government expenditure							
General govt and defence	360	8 397	8 756	4.1	3 914	3 459	1.13
Support to industry	48	1 194	1 242	3.9	522	492	1.06
Total	408	9 590	9 998	4.1	4 436	3 951	1.12
TOTAL EXPENDITURE	4 870	48 279	53 149	9.2	52 991	19 889	2.66

^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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Western Australia

Table 2 Australian Government and Western Australian Government direct expenditure, Western Australia, 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	96	1 720	1 816	5.3	1 042	709	1.47
WA Government	568	5 845	6 413	8.9	6 186	2 408	2.57
Total	664	7 564	8 229	8.1	7 227	3 116	2.32
Healthy lives							
Australian Government	273	3 991	4 264	6.4	2 972	1 644	1.81
WA Government	750	6 001	6 752	11.1	8 166	2 472	3.30
Total	1 024	9 992	11 016	9.3	11 138	4 116	2.71
Economic participation							
Australian Government	842	8 815	9 657	8.7	9 161	3 631	2.52
WA Government	15	325	339	4.4	162	134	1.21
Total	857	9 139	9 996	8.6	9 322	3 765	2.48
Home environment							
Australian Government	130	1 408	1 538	8.5	1 416	580	2.44
WA Government	332	3 730	4 062	8.2	3 613	1 536	2.35
Total	462	5 138	5 600	8.3	5 030	2 116	2.38
Safe and supportive communities							
Australian Government	320	2 387	2 707	11.8	3 480	983	3.54
WA Government	1 136	4 468	5 604	20.3	12 358	1 841	6.71
Total	1 455	6 855	8 311	17.5	15 838	2 824	5.61
Other government expenditure							
Australian Government	290	7 579	7 869	3.7	3 155	3 122	1.01
WA Government	118	2 011	2 129	5.5	1 282	828	1.55
Total	408	9 590	9 998	4.1	4 436	3 951	1.12
All direct expenditure							
Australian Government	1 951	25 900	27 851	7.0	21 225	10 670	1.99
WA Government	2 919	22 379	25 298	11.5	31 766	9 219	3.45
Total	4 870	48 279	53 149	9.2	52 991	19 889	2.66

^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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Western Australia

Table 3 Real Australian Government and Western Australian Government direct expenditure, Western Australia, 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	1 621	24 130	25 750	6.3	19 020	11 197	1.70
WA Government	2 157	18 565	20 723	10.4	25 318	8 615	2.94
Total	3 778	42 695	46 473	8.1	44 338	19 812	2.24
All direct expenditure 2010-11^f							
Australian Government	1 734	23 350	25 084	6.9	19 648	10 308	1.91
WA Government	2 610	20 212	22 822	11.4	29 571	8 923	3.31
Total	4 345	43 562	47 907	9.1	49 219	19 232	2.56
All direct expenditure 2012-13							
Australian Government	1 951	25 900	27 851	7.0	21 225	10 670	1.99
WA Government	2 919	22 379	25 298	11.5	31 766	9 219	3.45
Total	4 870	48 279	53 149	9.2	52 991	19 889	2.66

^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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