

The *2014 Indigenous Expenditure Report* was released on **12 December 2014**. The Report is the third in a series providing 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.

This factsheet reports selected expenditure data for early child development and education and training services. More detailed estimates, including data for individual jurisdictions and 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-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.

Direct government expenditure on *early child development and education and training*

Early child development, and education and training services help people develop the skills and knowledge to participate successfully in society and the economy, a key element in breaking the cycle of disadvantage. Expenditure in the 2014 Report includes outlays on:

- *early child development* – child care services and preschool services
- *school education* – compulsory and non-compulsory education services provided in government and non-government primary and secondary schools
- *tertiary education* – university education, TAFE and VET, provided in both government and non-government institutions.

A more detailed description of these expenditure categories is provided in *Factsheet: Description of expenditure categories* and the *Expenditure Data Manual* (both available from the project website).

Expenditure per capita

Estimates in this factsheet are for expenditure per capita (per person in the population) and are not a measure of expenditure per user of services. Per capita estimates should not be interpreted as a proxy for unit cost, or for the amount individuals receive from government.

Early child development, and education and training

Drivers of differences in expenditure

Differences in expenditure may be driven by:

- *intensity of service use*, which for early child development and education services is largely driven by the younger age profile of the Aboriginal and Torres Strait Islander population. The younger age profile of the Aboriginal and Torres Strait Islander population means that per capita use of early child development and education services (use per person in the Aboriginal and Torres Strait Islander population) would be expected to be greater than use per person in the non-Indigenous population
- *differences in the cost of service provision*, which relate to the higher cost of providing mainstream services to Aboriginal and Torres Strait Islander Australians (including higher costs in remote areas), and the use of complementary Indigenous specific services.

Key results

- Government direct expenditure on all early child development and education and training services was \$70.1 billion in 2012-13. Direct expenditure on services to Aboriginal and Torres Strait Islander Australians made up \$4.5 billion (6 per cent) of the total.
- Government direct expenditure per person on all early child development and education and training services in 2012-13 was \$6457 per Aboriginal and Torres Strait Islander Australian and \$2923 per non-Indigenous Australian (a ratio of 2.21:1):
 - *early child development* – \$479 was spent per Aboriginal and Torres Strait Islander Australian compared with \$255 per non-Indigenous Australian (a ratio of 1.88:1)
 - *school education* – \$4878 was spent per Aboriginal and Torres Strait Islander Australian compared with \$1774 per non-Indigenous Australian (a ratio of 2.75:1)
 - *tertiary education* – \$1099 was spent per Aboriginal and Torres Strait Islander Australian compared with \$894 per non-Indigenous Australian (a ratio of 1.23:1).
- State and Territory governments provided \$3.6 billion (80 per cent) of direct Indigenous expenditure, and the Australian Government provided \$0.9 billion (20 per cent). On a per person basis, State and Territory governments provided \$5149 per Aboriginal and Torres Strait Islander Australian and the Australian Government provided \$1308.
- Most government direct Indigenous expenditure related to mainstream services (\$3.5 billion, 77 per cent), while Indigenous specific expenditure accounted for \$1.0 billion (23 per cent) of direct expenditure.
- After adjusting for inflation, government direct expenditure per Aboriginal and Torres Strait Islander Australian increased by 7.9 per cent from 2008-09 to 2012-13 (from \$5982 in 2008-09 to \$6457 in 2012-13). This compares with an increase of 0.3 per cent in expenditure per non-Indigenous Australian (from \$2915 in 2008-09 to \$2923 in 2012-13).

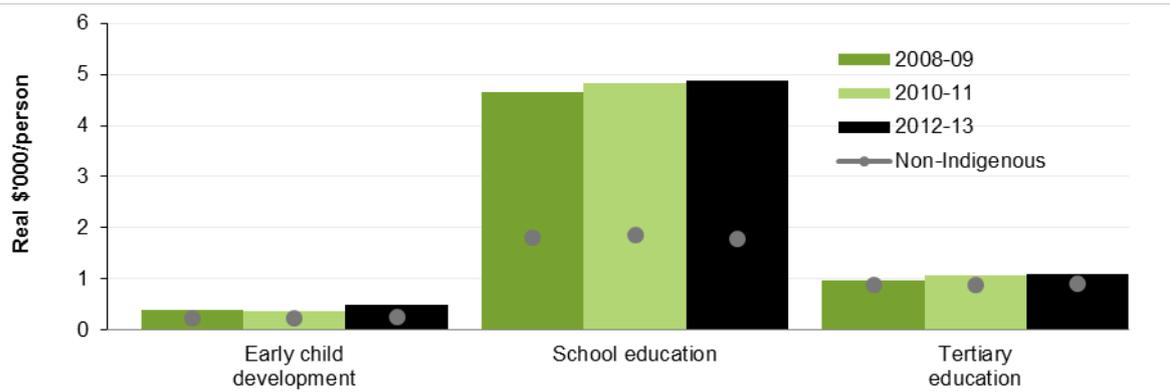
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Information in this factsheet is from the *2014 Indigenous Expenditure Report*, published by the Steering Committee for the Review of Government Provision. The Report can be found on the project website: www.pc.gov.au/research/recurring/ier. Printed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

Early child development, and education and training

Figure 1 shows that changes in expenditure per person from 2008-09 to 2012-13 varied across expenditure categories. Nationally, after adjusting for inflation, expenditure per Aboriginal and Torres Strait Islander Australian increased by 27 per cent for *early child development*, by 5 per cent for *school education* and by 15 per cent for *tertiary education*.

Figure 1 Australian Government *plus* State/Territory Government direct Indigenous expenditure on early child development and education and training, (2012-13 dollars per person)^{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

Early child development, and education and training

Table 1 All government direct expenditure on *early child development and education and training*, Australia, 2012-13^{a, b, c}

	Total expenditure \$m				\$ per person ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
Early child development	335	5 730	6 065	5.5	479	255	1.88
School education	3 406	39 791	43 197	7.9	4 878	1 774	2.75
Tertiary education	768	20 053	20 821	3.7	1 099	894	1.23
Total	4 509	65 575	70 083	6.4	6 457	2 923	2.21

Table 2 Australian Government *plus* State and Territory Government direct expenditure on *early child development and education and training*, by government (dollars per person), 2012-13^{a, b, c, d}

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	All states
Indigenous expenditure (\$ per person)									
Aust Government	1 349	1 430	1 299	1 042	1 426	1 144	1 752	1 420	1 308
State & territory governments	4 503	4 871	4 570	6 186	6 258	3 866	5 405	7 406	5 149
All Governments	5 852	6 301	5 869	7 227	7 684	5 009	7 158	8 826	6 457
Non-Indigenous expenditure (\$ per person)									
Aust Government	816	864	813	709	843	826	1 203	732	824
State & territory governments	1 739	2 183	2 214	2 408	2 360	2 370	2 534	2 907	2 099
All governments	2 555	3 047	3 026	3 116	3 202	3 196	3 737	3 638	2 923

^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 add 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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Early child development, and education and training

Table 3 All government direct Indigenous expenditure on early child development and education and training, 2008-09, 2010-11, 2012-13 (2012-13 dollars)^{a, b, c, d}

	Total expenditure \$m			\$ per person ^e		
	2008-09	2010-11	2012-13	2008-09	2010-11	2012-13
Early child development						
Indigenous expenditure	243	242	335	378	362	479
Non-Indigenous expenditure	4 878	5 097	5 730	232	235	255
Total	5 120	5 339	6 065	236	239	262
School education						
Indigenous expenditure	2 987	3 239	3 406	4 646	4 837	4 878
Non-Indigenous expenditure	38 145	40 035	39 791	1 812	1 848	1 774
Total	41 132	43 274	43 197	1 896	1 937	1 867
Tertiary education						
Indigenous expenditure	616	712	768	959	1 064	1 099
Non-Indigenous expenditure	18 328	18 769	20 053	871	866	894
Total	18 945	19 482	20 821	873	872	900
Total early child development, and education and training						
Indigenous expenditure	3 845	4 194	4 509	5 982	6 263	6 457
Non-Indigenous expenditure	61 352	63 901	65 575	2 915	2 949	2 923
Total	65 197	68 095	70 083	3 006	3 049	3 030

^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 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). ^e Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost.

Source: 2014 Indigenous Expenditure Report database.

Additional detailed data for more specific expenditure sub-categories, individual states and territories and for mainstream and Indigenous specific expenditure are included in the 2014 Indigenous Expenditure Report database available on the project website.

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