

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 healthy lives 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 *healthy lives*

Healthy lives services play an important role in improving health outcomes and contribute to Closing the Gap in life expectancy (at birth) between Aboriginal and Torres Strait Islander and non-Indigenous Australians. Expenditure in the 2014 Report includes outlays on:

- *hospital services* – services provided in hospitals, including mental health services provided to admitted patients in psychiatric hospitals and psycho-geriatric nursing homes
- *public and community health services* – including programs offered in community (non-hospital) settings, and primary health services that target particular health issues or particular at-risk groups
- *health care subsidies and support services* – including private health insurance subsidies, medical services subsidies, patient aids (such as hearing aids), health research and general health administration.

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.

Healthy lives

Drivers of differences in expenditure

Differences in expenditure may be driven by:

- *intensity of service use*, which for healthy lives services is largely driven by the poorer health status (and consequent greater need for health services) of Aboriginal and Torres Strait Islander Australians on average. Aboriginal and Torres Strait Islander Australians are, on average, higher users of public hospitals and community health services, and lower users of medical, pharmaceutical, dental and other health services than non-Indigenous Australians
- *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 in addition to mainstream services (for example, liaison officers in hospitals).

Key results

- Government direct expenditure on all healthy lives services was \$102.9 billion in 2012-13. Direct expenditure on services to Aboriginal and Torres Strait Islander Australians made up \$6.3 billion (6 per cent) of the total.
- Government direct expenditure per person on healthy lives in 2012-13 was \$9008 per Aboriginal and Torres Strait Islander Australian and \$4307 per non-Indigenous Australian (a ratio of 2.09:1):
 - *hospital services* – \$4016 was spent per Aboriginal and Torres Strait Islander Australian compared with \$1881 per non-Indigenous Australian (a ratio of 2.14:1).
 - *public and community health services* – \$2821 was spent per Aboriginal and Torres Strait Islander Australian compared with \$538 per non-Indigenous Australian (a ratio of 5.24:1).
 - *health care subsidies and support services* – \$2170 was spent per Aboriginal and Torres Strait Islander Australian compared with \$1888 per non-Indigenous Australian (a ratio of 1.15:1).
- State and Territory governments provided \$3.9 billion (62 per cent) of direct Indigenous expenditure, and the Australian Government provided \$2.4 billion (38 per cent). On a per person basis, State and Territory governments provided \$5576 per Aboriginal and Torres Strait Islander Australian and the Australian Government provided \$3433.
- Most government direct Indigenous expenditure related to mainstream services (\$4.8 billion, 77 per cent), and Indigenous specific expenditure accounted for \$1.5 billion (23 per cent) of direct expenditure.
- After adjusting for inflation, government direct expenditure per Aboriginal and Torres Strait Islander Australian increased by 29 per cent from 2008-09 to 2012-13 (from \$6972 in 2008-09 to \$9008 in 2012-13). This compares with an increase of 8 per cent in expenditure per non-Indigenous Australian (from \$3980 in 2008-09 to \$4307 in 2012-13).

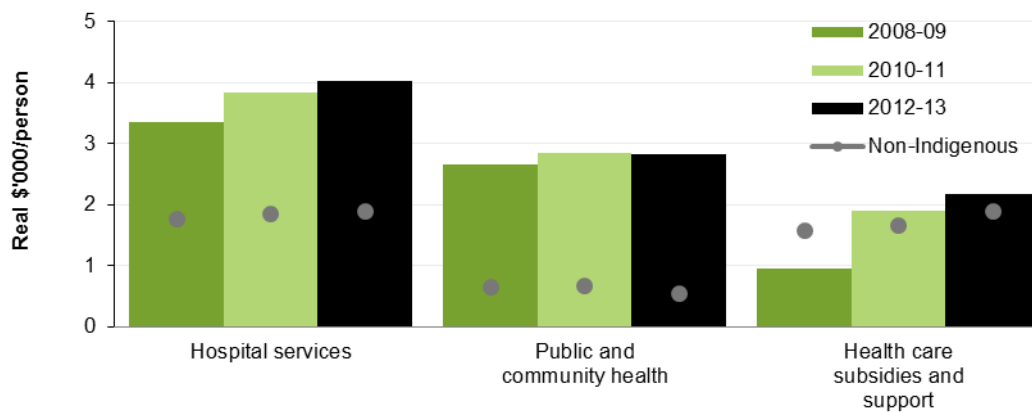
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Information in this factsheet is from the *2014 Indigenous Expenditure Report*, published by the Steering Committee for the Review of Government Provision. The Report can be found on the project website: www.pc.gov.au/research/recurring/ier. Printed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

Healthy lives

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 20 per cent for *hospital services*, by 6 per cent for *public and community health services*, and by 129 per cent for *health care subsidies and support services*.

Figure 1 Australian Government *plus* State/Territory Government direct Indigenous expenditure on healthy lives, (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

Healthy lives

Table 1 All government direct expenditure on *healthy lives*, Australia, 2012-13^{a, b, c}

	Total expenditure \$m				\$ per person ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
Hospital services	2 805	42 190	44 995	6.2	4 016	1 881	2.14
Public and community health services	1 970	12 074	14 044	14.0	2 821	538	5.24
Health care subsidies and support services	1 516	42 364	43 880	3.5	2 170	1 888	1.15
Total	6 290	96 629	102 919	6.1	9 008	4 307	2.09

Table 2 Australian Government *plus* State and Territory Government direct expenditure on *healthy lives*, 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	3 794	3 765	2 354	2 972	3 745	6 132	5 391	4 392	3 433
State & territory governments	3 274	6 157	5 058	8 166	7 410	2 228	14 919	9 603	5 576
All Governments	7 068	9 922	7 411	11 138	11 155	8 359	20 310	13 995	9 008
Non-Indigenous expenditure (\$ per person)									
Aust Government	2 078	1 956	1 901	1 644	2 040	1 783	2 194	1 376	1 952
State & territory governments	2 190	2 167	2 452	2 472	2 940	2 908	2 981	2 819	2 355
All governments	4 268	4 123	4 352	4 116	4 980	4 691	5 175	4 195	4 307

^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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Healthy lives

Table 3 All government direct Indigenous expenditure on *healthy lives*, 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
Hospital services						
Indigenous expenditure	2 158	2 567	2 805	3 357	3 834	4 016
Non-Indigenous expenditure	37 275	39 887	42 190	1 771	1 841	1 881
Total	39 433	42 454	44 995	1 818	1 901	1 945
Public and community health services						
Indigenous expenditure	1 713	1 910	1 970	2 665	2 853	2 821
Non-Indigenous expenditure	13 421	14 366	12 074	638	663	538
Total	15 134	16 276	14 044	698	729	607
Health care subsidies and support services						
Indigenous expenditure	610	1 273	1 516	949	1 902	2 170
Non-Indigenous expenditure	33 069	35 716	42 364	1 571	1 648	1 888
Total	33 679	36 990	43 880	1 553	1 656	1 897
Total healthy lives						
Indigenous expenditure	4 481	5 751	6 290	6 972	8 588	9 008
Non-Indigenous expenditure	83 765	89 969	96 629	3 980	4 152	4 307
Total	88 246	95 720	102 919	4 069	4 285	4 449

^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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