

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 economic participation 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 *economic participation*

Economic participation is associated with a range of positive life outcome areas, such as improved income, sense of identity, improved self-esteem and social contact. This in turn can lead to improved health and financial independence. Expenditure in the 2014 Report includes outlays on:

- *labour and employment services* – services that provide an institutional framework for the labour market, including services that promote employment (such as labour market assistance services for jobseekers), and the administration of regulatory bodies
- *social security support payments* – government payments and concessions for people who have low incomes because they are unemployed, because their personal circumstances limit their employment options (for example, age or disability), or because their normal income is insufficient to meet the costs of raising a family.

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.

Economic participation

Drivers of differences in expenditure

Differences in expenditure may be driven by:

- *intensity of service use*, which for economic participation services is largely driven by Aboriginal and Torres Strait Islander use of mainstream social security payments and support services and Indigenous-specific labour and employment services
- *differences in the cost of service provision*, which relate to the higher cost of providing mainstream services to Aboriginal and Torres Strait Islander Australians, and the use of complementary Indigenous specific services. For social security payments, differences in cost reflect differences in the average payment to Aboriginal and Torres Strait Islander and non-Indigenous recipients when assessed against eligibility criteria.

Key results

- Government direct expenditure on all economic participation services was \$112.5 billion in 2012-13. Direct expenditure on services to Aboriginal and Torres Strait Islander Australians made up \$5.5 billion (5 per cent) of the total.
- Government direct expenditure per person on all economic participation services in 2012-13 was \$7904 per Aboriginal and Torres Strait Islander Australian and \$4768 per non-Indigenous Australian (a ratio of 1.66:1):
 - *labour and employment services* – \$1460 was spent per Aboriginal and Torres Strait Islander Australian compared with \$443 per non-Indigenous Australian (a ratio of 3.30:1).
 - *social security support payments* – \$6443 was spent per Aboriginal and Torres Strait Islander Australian compared with \$4325 per non-Indigenous Australian (a ratio of 1.49:1).
- State and Territory governments provided \$0.1 billion (2 per cent) of direct Indigenous expenditure, and the Australian Government provided \$5.4 billion (98 per cent). On a per person basis, State and Territory governments provided \$153 per Aboriginal and Torres Strait Islander Australian and the Australian Government provided \$7750.
- Most government direct Indigenous expenditure related to mainstream services (\$5.0 billion, 90 per cent), and Indigenous specific expenditure accounted for \$0.6 billion (10 per cent) of direct expenditure.
- After adjusting for inflation, government direct expenditure per Aboriginal and Torres Strait Islander Australian increased by 5 per cent from 2008-09 to 2012-13 (from \$7539 in 2008-09 to \$7904 in 2012-13). This compares with a decrease of 3 per cent in expenditure per non-Indigenous Australian (from \$4902 in 2008-09 to \$4768 in 2012-13).

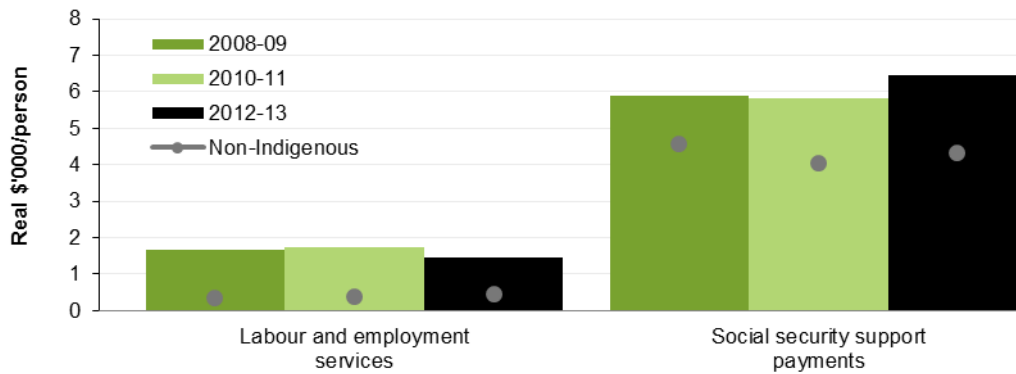
2014

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.

Economic participation

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 10 per cent for *social security support payments*, and decreased by 12 per cent for *labour and employment services*.

Figure 1 Australian Government *plus* State/Territory Government direct Indigenous expenditure on economic participation, (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

Economic participation

Table 1 All government direct expenditure on economic participation, Australia, 2012-13^{a, b, c}

	Total expenditure \$m				\$ per person ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
Labour and employment services	1 020	9 940	10 960	9.3	1 460	443	3.30
Social security support payments	4 500	97 021	101 520	4.4	6 443	4 325	1.49
Total	5 519	106 961	112 480	4.9	7 904	4 768	1.66

Table 2 Australian Government plus State and Territory Government direct expenditure on economic participation, 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	7 149	6 637	7 342	9 161	8 789	5 929	5 931	9 920	7 750
State & territory governments	117	361	104	162	184	139	52	239	153
All Governments	7 267	6 997	7 447	9 322	8 973	6 068	5 984	10 159	7 904
Non-Indigenous expenditure (\$ per person)									
Aust Government	4 788	4 722	4 661	3 631	5 425	6 183	3 005	2 433	4 650
State & territory governments	122	131	58	134	172	158	54	276	118
All governments	4 911	4 854	4 720	3 765	5 597	6 342	3 058	2 709	4 768

^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 Totals may not add due to rounding. ^c Per head of population expenditure is not the same as expenditure per user, and should not be interpreted as a proxy for unit cost. ^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 data collection

2014

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Economic participation

Table 3 All government direct Indigenous expenditure on economic participation, 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
Labour and employment services						
Indigenous expenditure	1 065	1 156	1 020	1 656	1 727	1 460
Non-Indigenous expenditure	7 217	8 159	9 940	343	377	443
Total	8 282	9 315	10 960	382	417	474
Social security support payments						
Indigenous expenditure	3 781	3 895	4 500	5 883	5 816	6 443
Non-Indigenous expenditure	95 941	87 927	97 021	4 559	4 058	4 325
Total	99 722	91 821	101 520	4 598	4 111	4 389
Total economic participation						
Indigenous expenditure	4 846	5 051	5 519	7 539	7 543	7 904
Non-Indigenous expenditure	103 158	96 086	106 961	4 902	4 435	4 768
Total	108 004	101 136	112 480	4 980	4 528	4 863

^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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