

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 home environment 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 *home environment*

A healthy home environment includes access to housing as well as amenities and services in the local community, and services and infrastructure that enable interaction with the broader economy and society such as transport and communications. Expenditure in the 2014 Report includes outlays on:

- *housing services* – services include home purchase assistance, rental assistance, social housing and homelessness services
- *community and environment services* – services that support the physical and built environment, including water supply, sanitation, waste management and fuel and energy supply
- *transport and communications services* – services that support connections within and across communities.

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.

Home environment

Drivers of differences in expenditure

Differences in expenditure may be driven by:

- *intensity of service use*, which for home environment services vary across services:
 - *housing services* are provided to individuals and families. The higher intensity of service use for housing services reflects, on average, a greater reliance by Aboriginal and Torres Strait Islander Australians on government housing services
 - *community and environment*, and *transport and communications services* are largely provided for the community as a whole. The Report method assumes that the Indigenous share of mainstream expenditure on these services is proportional to the Aboriginal and Torres Strait Islander share of the 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 home environment services was \$49.6 billion in 2012-13. Direct expenditure on services to Aboriginal and Torres Strait Islander Australians made up \$2.9 billion (6 per cent) of the total.
- Government direct expenditure per person on all home environment services in 2012-13 was \$4161 per Aboriginal and Torres Strait Islander Australian and \$2081 per non-Indigenous Australian (a ratio of 2.00:1):
 - *housing services* – \$1708 was spent per Aboriginal and Torres Strait Islander Australian compared with \$310 per non-Indigenous Australian (a ratio of 5.51:1).
 - *community and environment services* – \$1398 was spent per Aboriginal and Torres Strait Islander Australian compared with \$712 per non-Indigenous Australian (a ratio of 1.96:1).
 - *transport and communications services* – \$1055 was spent per Aboriginal and Torres Strait Islander Australian compared with \$1059 per non-Indigenous Australian (a ratio of 1.00:1).
- State and Territory governments provided \$2.1 billion (73 per cent) of direct Indigenous expenditure, and the Australian Government provided \$0.8 billion (27 per cent). On a per person basis, State and Territory governments provided \$3054 per Aboriginal and Torres Strait Islander Australian and the Australian Government provided \$1108.
- Most government direct Indigenous expenditure related to mainstream services (\$1.9 billion, 64 per cent), and Indigenous specific expenditure accounted for \$1.0 billion (36 per cent) of direct expenditure.

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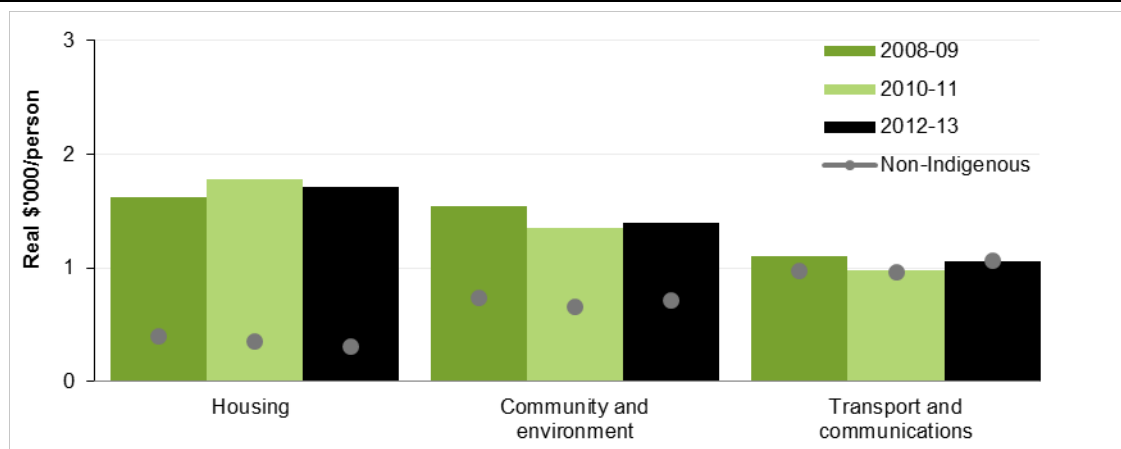
Information in this factsheet is from the *2014 Indigenous Expenditure Report*, published by the Steering Committee for the Review of Government Provision. The Report can be found on the project website: www.pc.gov.au/research/recurring/ier. Printed copies of the Report are available from Canprint Communications (ph 1300 889 873 or email: sales@infoservices.com.au). For further information contact the Secretariat: (03) 9653 2100.

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- After adjusting for inflation, government direct expenditure per Aboriginal and Torres Strait Islander Australian decreased by 2 per cent from 2008-09 to 2012-13 (from \$4257 in 2008-09 to \$4161 in 2012-13). This compares with an a decrease of 1 per cent in expenditure per non-Indigenous Australian (from \$2107 in 2008-09 to \$2081 in 2012-13).

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 6 per cent for *housing services*, decreased by 9 per cent for *community and environment services* and decreased by 4 per cent for *transport and communications services*.

Figure 1 Australian Government *plus* State/Territory Government direct Indigenous expenditure on home environment, (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

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

	Total expenditure \$m				\$ per person ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
Housing services	1 193	6 959	8 152	14.6	1 708	310	5.51
Community and environment services	976	15 981	16 957	5.8	1 398	712	1.96
Transport and communications services	737	23 753	24 490	3.0	1 055	1 059	1.00
Total	2 906	46 693	49 599	5.9	4 161	2 081	2.00

Table 2 Australian Government *plus* State and Territory Government direct expenditure on *home environment*, 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	888	963	983	1 416	1 506	742	3 782	1 492	1 108
State & territory governments	1 732	2 666	3 002	3 613	2 213	1 226	1 793	7 998	3 054
All Governments	2 620	3 629	3 985	5 030	3 719	1 968	5 575	9 490	4 161
Non-Indigenous expenditure (\$ per person)									
Aust Government	630	612	663	580	637	652	510	644	626
State & territory governments	1 274	1 453	1 824	1 536	1 251	903	1 355	2 233	1 456
All governments	1 903	2 065	2 487	2 117	1 888	1 555	1 865	2 877	2 081

^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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Table 3 All government direct Indigenous expenditure on *home environment*, 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
Housing services						
Indigenous expenditure	1 041	1 189	1 193	1 619	1 775	1 708
Non-Indigenous expenditure	8 350	7 707	6 959	397	356	310
Total	9 391	8 895	8 152	433	398	352
Community and environment services						
Indigenous expenditure	988	904	976	1 537	1 350	1 398
Non-Indigenous expenditure	15 497	14 281	15 981	736	659	712
Total	16 485	15 185	16 957	760	680	733
Transport and communications services						
Indigenous expenditure	707	656	737	1 100	980	1 055
Non-Indigenous expenditure	20 493	20 951	23 753	974	967	1 059
Total	21 200	21 607	24 490	977	967	1 059
Total home environment						
Indigenous expenditure	2 736	2 748	2 906	4 257	4 104	4 161
Non-Indigenous expenditure	44 340	42 938	46 693	2 107	1 982	2 081
Total	47 076	45 687	49 599	2 171	2 045	2 144

^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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