

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 other government 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 *other government services*

Various government services do not explicitly relate to the COAG Closing the Gap building blocks, however they can affect Indigenous outcomes through Indigenous specific expenditure and the machinery of government. Expenditure in the 2014 Report includes outlays on:

- *general government services and defence* – a diverse range of activities that governments undertake to ensure effective financial management and operation of the machinery of government and the political system, and to ensure the integrity of Australia's national security (such as defence services)
- *support to industry* – services and provision for administration, regulation, planning and support (such as research, marketing, financial assistance, and business development) for various industries.

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.

Other government services

Drivers of differences in expenditure

Differences in expenditure may be driven by:

- *intensity of service use*, which for other government 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 other government services was \$94.5 billion in 2012-13. Direct expenditure on services to Aboriginal and Torres Strait Islander Australians made up \$3.1 billion (3 per cent) of the total.
- Government direct expenditure per person on all other government services in 2012-13 was \$4457 per Aboriginal and Torres Strait Islander Australian and \$4075 per non-Indigenous Australian (a ratio of 1.09:1):
 - *general government and defence services* – \$3972 was spent per Aboriginal and Torres Strait Islander Australian compared with \$3666 per non-Indigenous Australian (a ratio of 1.08:1).
 - *support to industry* – \$485 was spent per Aboriginal and Torres Strait Islander Australian compared with \$409 per non-Indigenous Australian (a ratio of 1.19:1).
- State and Territory governments provided \$0.9 billion (28 per cent) of direct Indigenous expenditure, and the Australian Government provided \$2.2 billion (72 per cent). On a per person basis, State and Territory governments provided \$1251 per Aboriginal and Torres Strait Islander Australian and the Australian Government provided \$3206.
- Most government direct Indigenous expenditure related to mainstream services (\$3.0 billion, 96 per cent), and Indigenous specific expenditure accounted for \$0.1 billion (4 per cent) of direct expenditure.
- After adjusting for inflation, government direct expenditure per Aboriginal and Torres Strait Islander Australian increased by 11 per cent from 2008-09 to 2012-13 (from \$4002 in 2008-09 to \$4457 in 2012-13). This compares with an increase of 16 per cent in expenditure per non-Indigenous Australian (from \$3502 in 2008-09 to \$4075 in 2012-13).

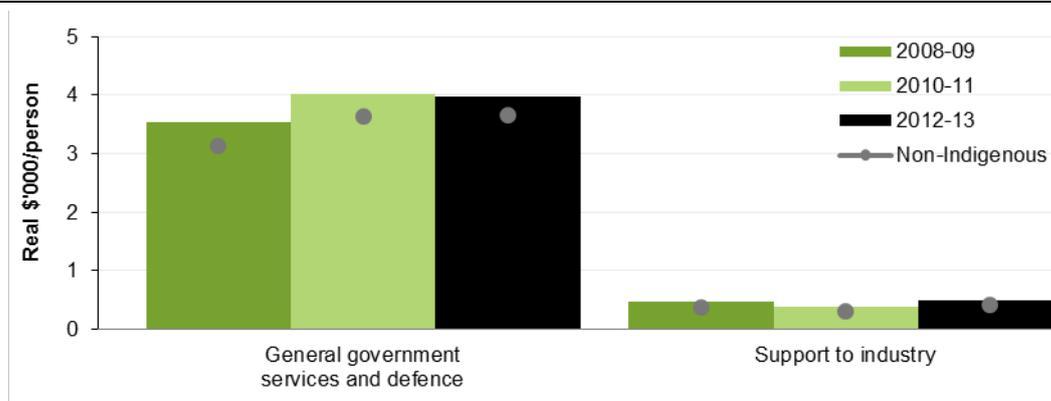
2014

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.

Other government services

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 13 per cent for *general government services and defence* and by 2 per cent for *support to industry*.

Figure 1 Australian Government *plus* State/Territory Government direct Indigenous expenditure on other government services, (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

Other government services

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

	Total expenditure \$m				\$ per person ^d		
	Indig.	Non-Indig.	Total	Indig. share	Indig.	Non-Indig.	Ratio ^e
General government services and defence	2 774	82 250	85 024	3.3	3 972	3 666	1.08
Support to industry	339	9 170	9 509	3.6	485	409	1.19
Total	3 112	91 420	94 532	3.3	4 457	4 075	1.09

Table 2 Australian Government *plus* State and Territory Government direct expenditure on *other government services*, 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	3 148	3 127	3 195	3 155	3 170	3 128	7 247	3 218	3 206
State & territory governments	905	614	1 341	1 282	1 039	1 418	2 499	2 402	1 251
All Governments	4 053	3 741	4 535	4 436	4 209	4 546	9 745	5 620	4 457
Non-Indigenous expenditure (\$ per person)									
Aust Government	3 122	3 122	3 122	3 122	3 122	3 122	3 122	3 122	3 122
State & territory governments	876	601	1 340	828	1 022	1 385	2 452	2 356	953
All governments	3 998	3 724	4 463	3 951	4 145	4 508	5 574	5 479	4 075

^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.

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.

Other government services

Table 3 All government direct Indigenous expenditure on *other government services*, 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
General government services and defence						
Indigenous expenditure	2 268	2 689	2 774	3 528	4 015	3 972
Non-Indigenous expenditure	65 726	78 976	82 250	3 123	3 645	3 666
Total	67 994	81 665	85 024	3 135	3 656	3 676
Support to industry						
Indigenous expenditure	305	262	339	475	391	485
Non-Indigenous expenditure	7 983	6 689	9 170	379	309	409
Total	8 288	6 951	9 509	382	311	411
Total other government services						
Indigenous expenditure	2 573	2 951	3 112	4 002	4 407	4 457
Non-Indigenous expenditure	73 709	85 665	91 420	3 502	3 954	4 075
Total	76 282	88 616	94 532	3 517	3 967	4 087

^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.