

Description of expenditure
categories

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 Australians by the Australian Government, and State and Territory governments.

This factsheet describes the *direct* government expenditure items that are relevant to each of the six broad areas of expenditure discussed in the Report. The information in this factsheet is designed to help readers interpret the estimates in the separate factsheets covering each of the six expenditure areas (available from the project website):

- Factsheet: Early child development, and education and training
- Factsheet: Healthy lives
- Factsheet: Economic participation
- Factsheet: Home environment
- Factsheet: Safe and supportive communities
- Factsheet: Other government services.

Estimating the Indigenous component of expenditure is complex, and many data quality and methodological challenges are yet to be resolved. Readers are advised to refer to the 2014 Report for information to assist in interpreting the expenditure estimates. Detailed explanations of definitions and methods that were followed when collecting expenditure data and service use measures for the Report are available from manuals on the project website:

- 2014 Report Expenditure Data Manual
- 2014 Report Service Use Measure Definitions Manual.

Reported direct government expenditure

Nationally, Australian Government *plus* State and Territory Government direct expenditure on services for Aboriginal and Torres Strait Islander Australians was \$30.3 billion in 2012-13. The Report groups expenditure into six main areas:

- Early child development, and education and training – 15 per cent of total Indigenous expenditure
- Healthy lives – 21 per cent of total Indigenous expenditure
- Economic participation – 18 per cent of total Indigenous expenditure
- Home environment – 10 per cent of total Indigenous expenditure
- Safe and supportive communities – 26 per cent of total Indigenous expenditure
- Other government expenditure – 10 per cent of total Indigenous expenditure.

Description of expenditure categories

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 government outlays on:

- *early child development* – child care services (long day care, family day care, occasional care and outside-school-hours care services provided to children aged 0–12 years) and preschool services (early childhood education programs provided by qualified teachers for children from 3–5 years)
- *school education* – compulsory and non-compulsory education services are provided in government and non-government, primary and secondary schools. ‘Other school education’ includes services provided in special schools for students with disability, support for school students (such as student transport and income support) and support for schools and teachers (curriculum development and student assessment, examinations and certification, school registration and accreditation)
- *tertiary education* – university education, technical and further education (TAFE) and vocational education and training (VET), provided in both government and non-government institutions. ‘Other tertiary education’ includes support for tertiary students (such as student transport and income support) and support for tertiary institutions and teachers.

Healthy lives

Healthy lives services play an important role in improving health outcomes and contribute to closing the gap in life expectancy between Indigenous and non-Indigenous Australians. Expenditure in the 2014 Report includes government outlays on:

- *hospital services* – including hospital services provided to admitted patients (acute care services, rehabilitation and palliative care) and non-admitted patients (emergency and outpatient services). Hospital services also include mental health services provided to admitted patients in psychiatric hospitals and psycho-geriatric nursing homes
- *public and community health services* – encompassing an extensive range of health programs offered in community (non-hospital) settings, and primary health services that target particular health issues or particular at-risk groups in the population. These include:
 - *public health services* – covering activities that contribute to health protection and promotion, illness prevention and expenditure on public health issues and priorities that affect the population as a whole, or significant population sub-groups
 - *community health services* – including mental health services, patient transport, alcohol and other drug treatment, and maternal and child health services
- *health care subsidies and support services* – including private health insurance subsidies, medical services subsidies provided under the Medicare Benefits Schedule (MBS), medications provided under the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS), patient aids (wheelchairs, hearing aids, orthopaedic appliances and prostheses), health research and general health administration.

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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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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 government outlays on:

- *labour and employment services* – services that aim to facilitate a strong institutional framework for the labour market and to promote employment, including:
 - *other labour and employment services* – support for workplace institutions (such as the administration of industrial relations, occupational health and safety, and worker’s compensation systems); labour market assistance services (assistance to jobseekers, work placement, and active labour market programs); and skilled immigration programs
 - *other economic affairs* – the administration, regulation, promotion, research, operation, licensing and general business support activities that promote the efficient operations of markets, and facilitate a vibrant, competitive, growing and sustainable economy. For example, the activities of regulatory bodies such as the Australian Competition and Consumer Commission and Indigenous Business Australia
- *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 medical conditions), or because their normal income is insufficient to meet the costs of raising a family.

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 government outlays on:

- *housing services* – services that provide people with a safe and healthy place to live, including:
 - *home purchase assistance* – grants and concessions designed to make home ownership achievable, typically to first home buyers
 - *rental assistance* – financial assistance to people in the private rental market
 - *social housing* – public housing (dwellings owned or leased to provide affordable rental accommodation) and community housing (rental housing provided for low to moderate income or special needs households)
 - *homelessness services* – crisis accommodation, homelessness services and the Supported Accommodation Assistance Program
- *community and environment services* – services that support the physical and built environment, including:
 - *community development* – planning new or rehabilitating existing communities, land use regulation and community amenities such as street lighting, public conveniences, bus shelters and pedestrian shopping malls

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- *water supply* – supply of fresh water for drinking and domestic purposes including public health issues related to the domestic water supply, and the expansion and operation of water supply systems
- *sanitation, waste management and environment protection* – the management of household and industrial waste, sewerage, street cleaning and urban stormwater drainage management, and the protection and conservation of the environment
- *fuel and energy supply* – the administration, regulation, planning, support and operation of electricity, gas and other fuel-based industries
- *transport and communications services* – services that support connections within and across communities, such as road, rail and air transport, pipelines and communication services (postal, cable, telephone and wireless communications systems and satellites).

Safe and supportive communities

Safe and supportive community services promote an environment in which Australians can feel safe from violence, abuse and neglect, and are able to engage in the communities in which they live.

Expenditure in the 2014 Report includes government outlays on:

- *public order and safety* – services that ensure a safe home environment and equitable access to the legal system and services and which reduce the consequences of criminal activity, including:
 - *police services* – expenditure on areas including crime and corruption commissions, criminal investigation, traffic and commuter services (such as road safety and the safety of commuters using public transport), and community safety and support including crime prevention and responding to calls for assistance
 - *law courts and legal services* – expenditure on areas including criminal court services, other courts and legal services (such as civil courts and native title), and access to justice including legal assistance services and policy and law reform
 - *prison and corrective services* – expenditure on areas including juvenile and adult community-based and facility-based detention and corrective services
 - *other public order* – expenditure on metropolitan and other fire protection services, and other public order and safety services (such as maintenance of state emergency services), and lifesaving and beach patrols
- *community support and welfare* – services that assist people who need help to meet the challenges that arise in their day-to-day lives, such as:
 - *welfare for the aged* – expenditure on nursing homes for the aged, welfare services for the aged including support programs, and home and residential care services
 - *welfare services for people with a disability* – expenditure on accommodation support, community support, community access and other disability support such as employment services
 - *protection and support services* – expenditure on child protection and out-of-home care services
 - *general family and support services* – expenditure on child support payments and family support, including intensive family support

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- *other welfare services* – expenditure on social security and welfare services not elsewhere classified, such as superannuation support programs, Indigenous advancement programs and research into social security and welfare affairs and services
- *recreation and culture* – services for the general community, such as arts, language and cultural activities, national parks and sporting grounds, as well as specific initiatives to support and promote Indigenous identity (such as Indigenous film and television):
 - *national parks and wildlife* – expenditure on administration and the operation of national parks, including historic houses and sites that are part of national parks and wildlife services
 - *recreation services* – expenditure on other recreation facilities and services such as playgrounds, sporting grounds and recreational parks and gardens, and administration and operation costs associated with recreational and cultural affairs and services.

Other government services

Various government services do not explicitly relate to the COAG Closing the Gap building blocks, but can affect Indigenous outcomes through Indigenous specific expenditure and the machinery of government. Expenditure in the 2014 Report includes government 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:
 - *general public services* – centralised activities that support the operations of the executive and the planning and coordination of services on a whole-of-government basis. They include central policy agencies that develop, monitor and coordinate policy related to Indigenous affairs. They also include services related to legislative and executive affairs, financial and fiscal affairs, external affairs, foreign aid, general research, and government superannuation expenditure that cannot be appropriately allocated to a specific service area
 - *defence* – including activities related to administration, supervision, and support of civil defence and foreign defence affairs, as well as military research. Defence housing is also included in this category and provides housing for serving members of the Australian Defence Force and their families
 - *other purpose services* – general government transactions such as public debt transactions (underwriting and floating of government loans and interest payments), natural disaster relief (immediate relief to victims of droughts, fires, floods, cyclones and other natural disasters in Australia), and general purpose inter-government transactions (general purpose transfers to other governments such as Australian Government GST revenue grants to the State and Territory governments)
- *support to industry* – services and provision for administration, regulation, planning and support (such as research, marketing, financial assistance, and business development) for the following industries: agriculture, forestry, fishing and hunting; mining and mineral resources (other than fuel), manufacturing and construction; storage, saleyards and markets; and tourism and area promotion.

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