

---

## Errata — Report on Government Services 2011

The following amendment was made to the 2011 Report since it was released in January 2011.

### Chapter 14 — Services for people with disability

Expenditure data for 2008-09 for NSW, Victoria, and WA have been revised. Due to a cell formula error, 2008-09 expenditure was overstated for WA by approximately \$38 million, while 2008-09 expenditure was understated for NSW and Victoria by approximately \$30 million and \$21 million respectively due to incorrect treatment of payroll tax. The revisions affect the following:

- chapter text on page 14.10
- chapter text and the associated figure 14.31 ‘Administrative expenditure as a proportion of total recurrent expenditure’ on pages 14.69 to 14.71.

The revised chapter text and figure are reproduced below.

*Amended text on page 14.10*

### Funding

Australian and State and Territory governments funded both government and non-government providers of specialist disability services under the NDA. Total government expenditure on these services was \$5.7 billion in 2009-10 — a real increase of 8.1 per cent on the expenditure in 2008-09 (\$5.3 billion) (table 14A.4). State and Territory governments funded the majority of this expenditure in 2009-10 (70.8 per cent, or \$4.1 billion). The Australian Government funded the remainder (29.2 per cent, or \$1.7 billion), which included \$903.7 million in transfer payments to states and territories (tables 14A.5 and 14A.6). Table 14A.7 provides data on total government expenditure including and excluding payroll tax.

---

*Amended text and figure on pages 14.69 to 14.71*

*Efficiency — administrative cost*

*Administrative expenditure as a proportion of total recurrent expenditure*

‘Administrative expenditure as a proportion of total recurrent expenditure’ is an indicator of governments’ objective to provide specialist disability services in an efficient manner (box 14.19). The proportion of total expenditure on administration is not yet comparable across jurisdictions as it is apportioned by jurisdictions using different methods (table 14A.80). However, administrative expenditure data can indicate trends within jurisdictions over time.

**Box 14.19 Administrative expenditure as a proportion of total recurrent expenditure**

‘Administrative expenditure as a proportion of total recurrent expenditure’ is defined as government expenditure on administration as a proportion of total recurrent CSTDA/NDA expenditure. Major capital grants to non-government service providers are excluded to improve comparability across jurisdictions and over time.

Holding other factors constant (such as service quality and accessibility), lower or decreasing administrative expenditure as a proportion of total recurrent CSTDA/NDA expenditure might reflect an increase in administrative efficiency.

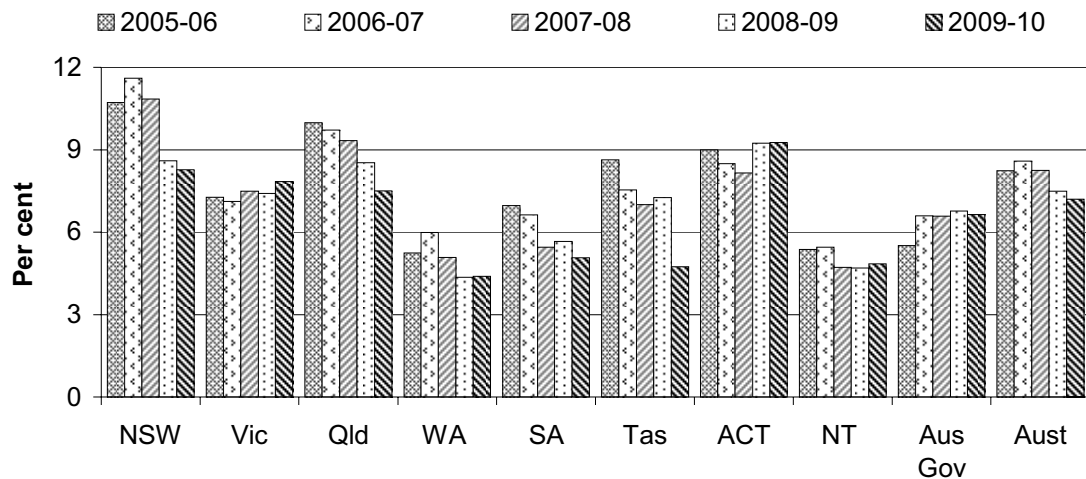
Efficiency data are difficult to interpret. Although high or increasing administrative expenditure as a proportion of total expenditure may reflect deteriorating efficiency, it may also reflect improvements in the quality or attributes of the administrative services provided. Similarly, low or declining administrative expenditure as a proportion of total expenditure may reflect improving efficiency, or lower quality and less effective administrative services. This may in turn affect service delivery effectiveness. Efficiency data therefore should be interpreted within the context of the effectiveness and equity indicators to derive a holistic view of performance.

Data reported for this indicator are not directly comparable.

Data quality information for this indicator is under development.

Nationally, administrative expenditure as a proportion of total government expenditure on specialist disability services (excluding payroll tax) decreased from 7.5 per cent in 2008-09 to 7.2 per cent in 2009-10 (figure 14.31). When actual or imputed payroll tax is included, the average national administrative expenditure as a proportion of total NDA expenditure was 7.1 per cent in 2009-10 (table 14A.85). Real total CSTDA/NDA expenditure is reported in table 14A.7, both excluding and including actual or imputed payroll tax amounts.

Figure 14.31 **Administrative expenditure as a proportion of total recurrent expenditure<sup>a, b, c, d, e, f</sup>**



<sup>a</sup> See table 14A.80 for an explanation of different methods of apportioning departmental costs. <sup>b</sup> Data exclude payroll tax. <sup>c</sup> Australian Government administrative expenditure is an estimate, based on average staffing levels. <sup>d</sup> The decrease in NSW administrative expenditure as a proportion of total recurrent expenditure on services in 2008-09 reflects an improved overhead allocation model which results in better allocation of funding to direct and non-direct service expenditures. <sup>e</sup> The decrease in WA administrative expenditure in 2007-08 mainly reflects the abolition of the capital user charge by the Department of Treasury and Finance. <sup>f</sup> In Tasmania, reduction in administrative expenditure for 2009-10 was due to improved processes for aligning administrative and direct service delivery expenditure.

Source: Australian, State and Territory governments (unpublished); table 14A.85.