The *2014 Indigenous Expenditure Report* was released on **12 December 2014**. The Report is the third in a series that provides 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.

More detailed estimates and data for 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 and territory 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.

**National expenditure patterns in 2012-13**

|  |  |  |
| --- | --- | --- |
| **Figure 1. Total government direct expenditure** | **Figure 2. Funding source of total government direct expenditure** | **Figure 3 Composition of direct Indigenous expenditure** |
| Figure 1.  More details can be found within the text surrounding this image. | Figure 2.  More details can be found within the text surrounding this image. | Figure 3.  More details can be found within the text surrounding this image. |
| Total government direct Indigenous expenditure was estimated to be $30.3 billion, accounting for 6.1 per cent of total government direct expenditure nationally. | The Australian Government accounted for $14.1  billion (47 per cent) of direct Indigenous expenditure, with the remaining $16.2 billion (53 per cent) provided by the State and Territory governments. | Mainstream services accounted for $24.7  billion (81 per cent) of direct Indigenous expenditure, with the remaining $5.6 billion (19 per cent) provided through Indigenous specific (targeted) services. |

**National expenditure per person**

Aboriginal and Torres Strait Islander Australians made up 3.0 per cent of the Australian population at 30 June 2013.

Estimated expenditure per person nationally in 2012-13 was $43 449 for Aboriginal and Torres Strait Islander Australians, compared with $20 900 for non‑Indigenous Australians (a ratio of 2.08:1). Between 2008-09 and 2012-13, total government direct Indigenous expenditure increased by $5.0 billion (20 per cent) in real terms, equivalent to an increase of $4070 per person (see figure 4).

Figure 4. Total government direct expenditure per person in Australia a, b, c

|  |
| --- |
| **Figure 4.  More details can be found within the text surrounding this image.** |

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

The $22 550 per person difference in expenditure between Aboriginal and Torres Strait Islander Australians and non‑Indigenous Australians in 2012-13 reflected the combined effects of:

* *greater intensity of service use* ($15 438 or 68 per cent) — Aboriginal and Torres Strait Islander Australians, on average, use more services per person because of greater need, and because of population characteristics such as the younger age profile of the Aboriginal and Torres Strait Islander population
* *higher costs of providing services* ($7112 or 32 per cent) — it can cost more to provide services to Aboriginal and Torres Strait Islander Australians if mainstream services are more expensive to provide (for example, because of location), or if Aboriginal and Torres Strait Islander Australians receive targeted services in addition to mainstream services (for example, liaison officers in hospitals).

**Variations in national expenditure over the six broad areas**

There were significant variations in levels and patterns of expenditure across expenditure categories in 2012-13.

**Early child development, and education and training**

This includes expenditure on preschool and childcare; school education; and tertiary education.

The ratio of Indigenous to non‑Indigenous expenditure per person nationally was 2.21:1 ($6457 per Aboriginal and Torres Strait Islander Australian compared with $2923 per non‑Indigenous Australian).

**Healthy lives**

This includes expenditure on hospital services; public and community health services; and other health care subsidies and support services.

The ratio of Indigenous to non‑Indigenous expenditure per person nationally was 2.09:1 ($9008 per Aboriginal and Torres Strait Islander Australian compared with $4307 per non‑Indigenous Australian).

**Economic participation**

This includes expenditure on labour and employment services and social security support.

The ratio of Indigenous to non‑Indigenous expenditure per person nationally was 1.66:1 ($7904 per Aboriginal and Torres Strait Islander Australian compared with $4768 per non‑Indigenous Australian).

**Home environment**

This includes expenditure on housing services; community and environment services; and transport and communications services.

The ratio of Indigenous to non‑Indigenous expenditure per person nationally was 2.00:1 ($4161 per Aboriginal and Torres Strait Islander Australian compared with $2081 per non‑Indigenous Australian).

**Safe and supportive communities**

This includes expenditure on public order and safety; community support and welfare; and recreation and culture.

The ratio of Indigenous to non‑Indigenous expenditure per person nationally was 4.18:1 ($11 463 per Aboriginal and Torres Strait Islander Australian compared with $2745 per non‑Indigenous Australian).

**Other government expenditure**

This includes expenditure on general government (such as the operations of legislative and executive affairs and defence services); and support to industry.

The ratio of Indigenous to non‑Indigenous expenditure per person nationally was 1.09:1 ($4457 per Aboriginal and Torres Strait Islander Australian compared with $4075 per non‑Indigenous Australian).

Table 1 Australian Government *plus* State and Territory government direct expenditure, all states and territories, 2012‑13**a, b, c**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Total  expenditure | | | |  | Expenditure per head  of populationd | | |
|  | Indig. | Non-Indig. | Total | Indig.  share |  | Indig. | Non-Indig. | Ratioe |
|  | $m | $m | $m | % |  | $/person | $/person | ratio |
| **Early child development and Education and training** | | | | | | | | |
| Early childhood | 335 | 5 730 | 6 065 | 5.5 |  | 479 | 255 | 1.88 |
| School education | 3 406 | 39 791 | 43 197 | 7.9 |  | 4 878 | 1 774 | 2.75 |
| Tertiary education | 768 | 20 053 | 20 821 | 3.7 |  | 1 099 | 894 | 1.23 |
| **Total** | **4 509** | **65 575** | **70 083** | **6.4** |  | **6 457** | **2 923** | **2.21** |
| **Healthy lives** |  |  |  |  |  |  |  |  |
| Hospital services | 2 805 | 42 190 | 44 995 | 6.2 |  | 4 016 | 1 881 | 2.14 |
| Public and community health | 1 970 | 12 074 | 14 044 | 14.0 |  | 2 821 | 538 | 5.24 |
| Health care subsidies & support | 1 516 | 42 364 | 43 880 | 3.5 |  | 2 170 | 1 888 | 1.15 |
| **Total** | **6 290** | **96 629** | **102 919** | **6.1** |  | **9 008** | **4 307** | **2.09** |
| **Economic participation** |  |  |  |  |  |  |  |  |
| Labour & employment | 1 020 | 9 940 | 10 960 | 9.3 |  | 1 460 | 443 | 3.30 |
| Social security support | 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** |
| **Home environment** |  |  |  |  |  |  |  |  |
| Housing | 1 193 | 6 959 | 8 152 | 14.6 |  | 1 708 | 310 | 5.51 |
| Community and environment | 976 | 15 981 | 16 957 | 5.8 |  | 1 398 | 712 | 1.96 |
| Transport & communications | 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** |
| **Safe and supportive communities** |  |  |  |  |  |  |  |  |
| Public order and safety | 3 399 | 21 698 | 25 097 | 13.5 |  | 4 868 | 967 | 5.03 |
| Community support & welfare | 4 129 | 31 875 | 36 003 | 11.5 |  | 5 912 | 1 421 | 4.16 |
| Recreation and culture | 477 | 8 011 | 8 488 | 5.6 |  | 683 | 357 | 1.91 |
| **Total** | **8 004** | **61 584** | **69 589** | **11.5** |  | **11 463** | **2 745** | **4.18** |
| **Other government expenditure** |  |  |  |  |  |  |  |  |
| General govt 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** |
| **TOTAL EXPENDITURE** | **30 341** | **468 861** | **499 202** | **6.1** |  | **43 449** | **20 900** | **2.08** |

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 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.

Table 2 Australian Government and State and Territory government direct expenditure, all states and territories, 2012‑13**a, b, c**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Total  expenditure | | | |  | Expenditure per head  of populationd | | |
|  | Indig. | Non-Indig. | Total | Indig.  share |  | Indig. | Non-Indig. | Ratioe |
|  | $m | $m | $m | % |  | $/person | $/person | ratio |
| **Early child development and Education and training** | | | | | | | | |
| Australian Government | 913 | 18 478 | 19 391 | 4.7 |  | 1 308 | 824 | 1.59 |
| State & Territory governments | 3 595 | 47 097 | 50 692 | 7.1 |  | 5 149 | 2 099 | 2.45 |
| **Total** | **4 509** | **65 575** | **70 083** | **6.4** |  | **6 457** | **2 923** | **2.21** |
| **Healthy lives** |  |  |  |  |  |  |  |  |
| Australian Government | 2 397 | 43 800 | 46 197 | 5.2 |  | 3 433 | 1 952 | 1.76 |
| State & Territory governments | 3 893 | 52 829 | 56 722 | 6.9 |  | 5 576 | 2 355 | 2.37 |
| **Total** | **6 290** | **96 629** | **102 919** | **6.1** |  | **9 008** | **4 307** | **2.09** |
| **Economic participation** |  |  |  |  |  |  |  |  |
| Australian Government | 5 412 | 104 322 | 109 734 | 4.9 |  | 7 750 | 4 650 | 1.67 |
| State & Territory governments | 107 | 2 639 | 2 746 | 3.9 |  | 153 | 118 | 1.30 |
| **Total** | **5 519** | **106 961** | **112 480** | **4.9** |  | **7 904** | **4 768** | **1.66** |
| **Home environment** |  |  |  |  |  |  |  |  |
| Australian Government | 773 | 14 033 | 14 806 | 5.2 |  | 1 108 | 626 | 1.77 |
| State & Territory governments | 2 133 | 32 660 | 34 792 | 6.1 |  | 3 054 | 1 456 | 2.10 |
| **Total** | **2 906** | **46 693** | **49 599** | **5.9** |  | **4 161** | **2 081** | **2.00** |
| **Safe and supportive communities** |  |  |  |  |  |  |  |  |
| Australian Government | 2 399 | 25 509 | 27 908 | 8.6 |  | 3 436 | 1 137 | 3.02 |
| State & Territory governments | 5 605 | 36 075 | 41 681 | 13.4 |  | 8 027 | 1 608 | 4.99 |
| **Total** | **8 004** | **61 584** | **69 589** | **11.5** |  | **11 463** | **2 745** | **4.18** |
| **Other government expenditure** |  |  |  |  |  |  |  |  |
| Australian Government | 2 239 | 70 046 | 72 285 | 3.1 |  | 3 206 | 3 122 | 1.03 |
| State & Territory governments | 873 | 21 374 | 22 247 | 3.9 |  | 1 251 | 953 | 1.31 |
| **Total** | **3 112** | **91 420** | **94 532** | **3.3** |  | **4 457** | **4 075** | **1.09** |
| **All direct expenditure** |  |  |  |  |  |  |  |  |
| Australian Government | 14 134 | 276 187 | 290 321 | 4.9 |  | 20 241 | 12 311 | 1.64 |
| State & Territory governments | 16 207 | 192 674 | 208 881 | 7.8 |  | 23 209 | 8 589 | 2.70 |
| **Total** | **30 341** | **468 861** | **499 202** | **6.1** |  | **43 449** | **20 900** | **2.08** |

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 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.

Table 3 Real Australian Government and State and Territory government direct expenditure, all states and territories, 2008‑09, 2010‑11, 2012‑13 (2012‑13 dollars)a, b, c

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Total  expenditure | | | |  | Expenditure per head  of populationd | | |
|  | Indig. | Non-Indig. | Total | Indig.  share |  | Indig. | Non-Indig. | Ratioe |
|  | $m | $m | $m | % |  | $/person | $/person | ratio |
| **All direct expenditure 2008-09**f | | | | | | | | |
| Australian Government | 11 754 | 255 451 | 267 205 | 4.4 |  | 18 285 | 12 138 | 1.51 |
| State & Territory governments | 13 559 | 174 830 | 188 389 | 7.2 |  | 21 093 | 8 307 | 2.54 |
| **Total** | **25 312** | **430 281** | **455 593** | **5.6** |  | **39 379** | **20 445** | **1.93** |
|  | | | | | | | | |
|  | | | | | | | | |
| **All direct expenditure 2010-11**f | | | | | | | | |
| Australian Government | 12 568 | 252 601 | 265 169 | 4.7 |  | 18 770 | 11 658 | 1.61 |
| State & Territory governments | 15 141 | 184 705 | 199 846 | 7.6 |  | 22 611 | 8 525 | 2.65 |
| **Total** | **27 709** | **437 305** | **465 015** | **6.0** |  | **41 381** | **20 183** | **2.05** |
|  | | | | | | | | |
|  | | | | | | | | |
| **All direct expenditure 2012-13** | | | | | | | | |
| Australian Government | 14 134 | 276 187 | 290 321 | 4.9 |  | 20 241 | 12 311 | 1.64 |
| State & Territory governments | 16 207 | 192 674 | 208 881 | 7.8 |  | 23 209 | 8 589 | 2.70 |
| **Total** | **30 341** | **468 861** | **499 202** | **6.1** |  | **43 449** | **20 900** | **2.08** |

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 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. f 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.