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Productivity Commission

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2017 Indigenous Expenditure Report

An estimated \$33.4 billion of Australian, State and Territory government expenditure was spent on services provided to Aboriginal and Torres Strait Islander Australians in 2015-16, according to the 2017 Indigenous Expenditure Report.

Around 18 per cent of this expenditure was on targeted programs for Aboriginal and Torres Strait Islander Australians, and the remainder was through non-targeted, or mainstream, services. Since 2008-09 (and after adjusting for inflation), targeted expenditure has remained relatively constant at around \$6.0 billion, while expenditure on mainstream services has increased by almost one-third (from \$20.9 billion to \$27.4 billion).

Per head of total population, expenditure (targeted and mainstream) equated to \$44 886 per Aboriginal and Torres Strait Islander Australian, around twice the rate for non-Indigenous Australians (\$22 356) and similar to ratios previously reported back to 2008-09. Around two-thirds of the higher per person expenditure for Aboriginal and Torres Strait Islander Australians is accounted for by greater intensity of service use (reflecting greater need and younger age profile), with the remaining one-third accounted for by the higher cost of providing services (such as in remote locations).

Peter Harris, Chairman of the Productivity Commission and Chair of the Steering Committee for the Review of Government Service Provision emphasised the importance of robust, public evaluations to understand the adequacy, effectiveness and efficiency of government spending, something which is outside the scope of this report. 'Understanding which policies and programs deliver outcomes effectively is vital for Aboriginal and Torres Strait Islander Australians, and all Australians. Without understanding what works and why, we cannot say if money is being well spent' he said.

The full suite of information on this report, including the report, data tables and a 'how to' video for accessing the 2017 report data can be found at: <http://www.pc.gov.au/ier2017>

The report is produced by the Productivity Commission for the Steering Committee for the Review of Government Service Provision. It is the fourth in the series.

2017 Indigenous Expenditure Report

*Produced by the
Productivity Commission
for the Steering Committee
for the Review of Government
Service Provision*

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Publications enquiries

The Productivity Commission acts as the Secretariat for the Steering Committee for the Review of Government Service Provision. This report and previous editions are available from the Productivity Commission website at www.pc.gov.au.

This report generally uses the term 'Aboriginal and Torres Strait Islander Australians' to describe Australia's first peoples and 'non-Indigenous Australians' to refer to Australians of other backgrounds, except where quoting other sources. This Report uses the term Indigenous expenditure for government expenditure on services to Aboriginal and Torres Strait Islander Australians. Expenditure on services to non-Indigenous Australians is referred to as non-Indigenous expenditure.

Terms of reference

The following terms of reference were endorsed by the Council of Australian Governments at its 2 July 2009 meeting in Darwin.

The Indigenous Expenditure Report aims to contribute to better policy making and improved outcomes for Indigenous Australians, by:

1. reporting on expenditure on services which support Indigenous Australians, including in a manner consistent with the COAG Working Group on Indigenous Reform statement of objectives, outcomes and measures and the COAG Overcoming Indigenous Disadvantage report framework.
2. promoting the collection and reporting of robust Indigenous expenditure data through:
 - (a) determining and applying consistent methodology to the collection and reporting of data
 - (b) identifying necessary improvements to the collection and availability of relevant data
 - (c) developing and implementing strategies to address data deficiencies.

The Indigenous Expenditure Report will:

3. include expenditure by both Commonwealth and State/Territory governments (and local government if possible), and over time will:
 - (a) allow reporting on Indigenous and non-Indigenous social status and economic status
 - (b) include expenditure on Indigenous-specific and key mainstream programs
 - (c) be reconcilable with published government financial statistics.
4. focus on on-the-ground services in areas such as: education; justice; health; housing; community services; employment; and other significant expenditure.
5. report on a regular basis, including:
 - (a) completion of an initial ‘stocktake’ report for the first COAG meeting in 2009, setting out the reporting framework, principles, methodology, and survey of available data and strategies for data development
 - (b) staged reporting against the framework (having regard to considerations such as data availability, implementation requirements and costs of reporting)
 - (c) report on both Indigenous and non-Indigenous expenditure.

-
6. provide governments with a better understanding of the level and patterns of expenditure on services which support Indigenous Australians, and provide policy makers with an additional tool to target policies to Close the Gap in Indigenous Disadvantage.

The Indigenous Expenditure Report Steering Committee will:

7. provide regular updates to Heads of Treasuries on progress in developing the expenditure framework and to the Working Group on Indigenous Reform on progress on data issues
8. recommend to Heads of Treasuries appropriate institutional arrangements for annual reporting on Indigenous expenditure once the framework for reporting has been developed.

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Steering Committee

This report was produced under the direction of the Steering Committee for the Review of Government Service Provision (SCRGSP). The Steering Committee comprises the following current members:

Mr Peter Harris	Chairman	Productivity Commission
Mr Nicholas Hunt	Aust. Govt.	Department of Finance
Ms Joanne Evans	Aust. Govt.	The Treasury
Ms Dominique Lowe	Aust. Govt.	Department of the Prime Minister and Cabinet
Mr Rick Sondalini	NSW	NSW Treasury
Ms Anita Truninger	NSW	Department of Premier and Cabinet
Ms Brigid Monagle	Vic	Department of Premier and Cabinet
Mr Jeremy Nott	Vic	Department of Treasury and Finance
Ms Nicole Tabb	Qld	Department of the Premier and Cabinet
Ms Janelle Thurlby	Qld	Queensland Treasury
Ms Melissa Rudez	WA	Department of the Premier and Cabinet
Mr Kurt Sibma	WA	Department of Treasury
Ms Tammie Pribanic	SA	Department of Treasury and Finance
Mr Chris McGowan	SA	Department of the Premier and Cabinet
Ms Ruth McArdle	Tas	Department of Premier and Cabinet
Mr Geoffrey Rutledge	ACT	Chief Minister, Treasury and Economic Development Directorate
Ms Jean Doherty	NT	Department of the Chief Minister
Ms Linda Weatherhead	NT	Department of the Chief Minister
Ms Nardia Harris	NT	Department of Treasury and Finance
Mr Barry Sandison		Australian Institute of Health and Welfare
Dr Paul Jelfs		Australian Bureau of Statistics

People who also served on the Steering Committee during the production of this report include:

Ms Josephine Laduzko	Aust. Govt.	Department of the Prime Minister and Cabinet
Ms Emily Martin	Aust. Govt.	The Treasury
Ms Sam Reinhardt	Aust. Govt.	The Treasury
Mr Marty Robinson	Aust. Govt.	The Treasury
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Mr Barry Thomas	WA	Department of Treasury
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Ms Nicole Hunter	SA	Department of the Premier and Cabinet
Ms Rebekah Burton	Tas	Department of Premier and Cabinet
Mr Sam Engele	ACT	Chief Minister, Treasury and Economic Development Directorate
Ms Kerry Flanagan		Australian Institute of Health and Welfare
Mr Andrew Kettle		Australian Institute of Health and Welfare
Mr Peter Harper		Australian Bureau of Statistics

Working Group

The Indigenous Expenditure Report Working Group undertakes the development and production of the Indigenous Expenditure Report under the auspice of the Steering Committee. The Working Group comprises the following members:

Ms Nina Davidson	Convenor	Productivity Commission
Ms Jody Hughes	Aust. Govt.	Department of the Prime Minister and Cabinet
Ms Katie Rae	Aust. Govt.	Department of Finance
Mr Timothy Goodland	Aust. Govt.	The Treasury
Mr Lawrence Freeman	NSW	NSW Treasury
Ms Claire Bickell	Vic	Department of Treasury and Finance
Ms Janelle Thurlby	Qld	Queensland Treasury
Ms Maria Lee	WA	Department of Treasury
Ms Tracey Scott	SA	Department of Treasury and Finance
Mr Damien Febey	Tas	Department of Treasury and Finance
Ms Natasha Bourke	ACT	Treasury and Economic Development Directorate
Ms Nardia Harris	NT	Department of Treasury and Finance
Mr Jonathan Khoo		Australian Bureau of Statistics
Ms Vicki Bennett		Australian Institute of Health and Welfare
Mr Tim Carlton		Commonwealth Grants Commission

People who also served on the Working Group during the production of this report include:

Mr Stephen Powrie	Aust. Govt.	Department of the Prime Minister and Cabinet
Ms Jessica Del Rio	Aust. Govt.	Department of Finance
Ms Michelle Craigie	Aust. Govt.	Department of Finance
Ms Veronica Glanville	Aust. Govt.	The Treasury
Ms Katarina Trinh	Aust. Govt.	The Treasury
Mr Nick Loan	Aust. Govt.	The Treasury
Ms Kamala Rangarajan	Aust. Govt.	The Treasury
Mr Karl Eaves	NSW	NSW Treasury
Ms Jennifer Wong	Vic	Department of Treasury and Finance

Ms Adriana Arantes	WA	Department of Treasury
Mr Jason Farren	SA	Department of Treasury and Finance
Mr Steven Rech	SA	Department of Treasury and Finance
Dr Adrian Webster		Australian Institute of Health and Welfare

Key points

- This Report provides estimates of Australian, State and Territory government expenditure for Aboriginal and Torres Strait Islander Australians across more than 150 expenditure categories. When combined with other information, the estimates contribute to a better understanding of the adequacy, effectiveness and efficiency of government expenditure on services to Aboriginal and Torres Strait Islander Australians. Expenditure may be compared across all States and Territories, and for Aboriginal and Torres Strait Islander, non-Indigenous and all Australians.
- In 2015-16, total direct government expenditure on Aboriginal and Torres Strait Islander Australians was estimated to be \$33.4 billion, a real increase from \$27.0 billion in 2008-09.
- In 2015-16, the estimated direct expenditure per person was \$44 886 for Aboriginal and Torres Strait Islander Australians, around twice the rate for non-Indigenous Australians (\$22 356); a similar ratio to previous years in this Report¹. The higher per person expenditure (difference of \$22 530) reflects the combined effects of:
 - greater *intensity of service use* (\$14 349 or 63.7 per cent) — because of greater need, and because of the younger age profile of the population
 - higher *cost of providing services* (\$8181 or 36.3 per cent) — for example, because of more remote locations, or because targeted services are provided in addition to mainstream services (for example, Indigenous liaison officers in hospitals).
- In 2015-16, Indigenous specific services (targeted expenditure assumed to relate exclusively to Aboriginal and Torres Strait Islander Australians) accounted for 18.0 per cent of direct expenditure on Aboriginal and Torres Strait Islander Australians, a decrease from 22.5 per cent in 2008-09. Mainstream services (expenditure available to all Australians through services and programs — for example, school education) accounted for 82.0 per cent, an increase from 77.5 per cent in 2008-09.
- The Australian Government accounted for \$14.7 billion (43.9 per cent) of direct Indigenous expenditure in 2015-16, a real increase of \$2.2 billion (17.5 per cent) from 2008-09. The remaining \$18.8 billion (56.1 per cent) was provided by State and Territory governments, a real increase of \$4.3 billion (29.7 per cent) from 2008-09.
- This report does not assess the adequacy, effectiveness and efficiency of government expenditure on Aboriginal and Torres Strait Islander Australians. To do this requires the ability to link expenditure to individuals, and then determine the causality of that expenditure on outcomes (such as through a cost benefit evaluation). This is outside the scope of this report.
- More information, including the full data set and data manuals to assist in interpretation, is available from the 2017 IER web page at <http://www.pc.gov.au/ier2017>

¹ Estimates per person are not the same as estimates per user, and must not be interpreted as a unit cost.

1 What is this report?

The *2017 Indigenous Expenditure Report* (Report) is the fourth in a series, prepared by the Steering Committee for the Review of Government Service Provision under the auspices of the Council of Australian Governments (COAG). The COAG-endorsed terms of reference (p. iii) require that the Report contributes to governments' understanding of the levels and patterns of expenditure on services that relate to Aboriginal and Torres Strait Islander Australians, and provides policy makers with an additional tool for targeting policies to Close the Gap in Indigenous disadvantage.

The Report provides *estimates* of expenditure on services provided to Aboriginal and Torres Strait Islander Australians by the Australian, State and Territory governments. Estimates are provided for each level of government, Australia as a whole and by state and territory, for 2008-09, 2010-11, 2012-13 and 2015-16.

These estimates are part of a broader evidence base to give policy makers a clearer picture of the efficacy of government services provided to Aboriginal and Torres Strait Islander Australians. It is better understood alongside information on outcomes for Aboriginal and Torres Strait Islander Australians, such as the Steering Committee's report, *Overcoming Indigenous Disadvantage: Key Indicators 2016* (SCRGSP 2016). However, to know the direct impact of expenditure on the outcomes for an individual or group, a cost benefit evaluation is required, which is outside the scope of this report.

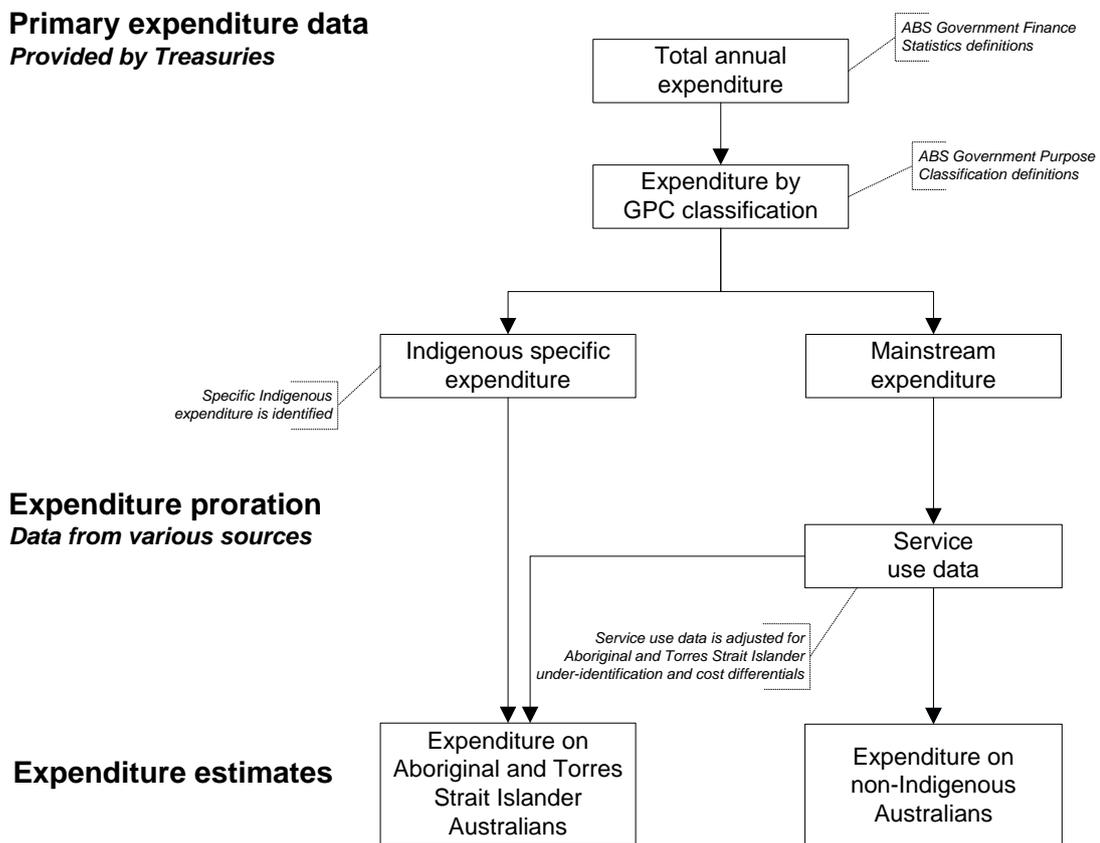
Estimating the Aboriginal and Torres Strait Islander component of expenditure — especially for mainstream services — is a complex exercise. Earlier reports (IERSC 2010, SCRGSP 2012) established a method for estimating this expenditure. However, many data quality and methodological challenges are yet to be resolved, and the interpretation of these estimates requires an understanding of the strengths and limitations of the data and method, as well as the context within which services are provided to Aboriginal and Torres Strait Islander Australians.

The Report includes for the first time a case study (chapter 5), illustrating the development and use of sub-state expenditure estimates in New South Wales, drawing on state level data from earlier editions of the Report. This case study provides an example of how the Report can be expanded upon by governments to respond to policy questions in their jurisdiction.

2 How is Indigenous expenditure estimated?

Figure 2.1 illustrates the Report’s approach to estimating Indigenous expenditure, with this section providing details on each component in the figure.

Figure 2.1 **Estimating Indigenous expenditure^a**



^a More information on the Report method is provided in the 2017 Report *Expenditure Data Manual* (SCRGSP 2017a) and 2017 Report *Service Use Measure Definitions Manual* (SCRGSP 2017b) which are available from the 2017 Report web page at up <http://www.pc.gov.au/ier2017>.

2.1 Total annual expenditure

The Report defines expenditure as all expense transactions undertaken by the general government sector of the Australian Government and State and Territory governments, following the ABS Government Finance Statistics framework. This excludes capital expenditure, but includes expenditure related to depreciation and asset maintenance and capital grants made outside the general government sector.

Expenditure data is allocated to individual expenditure categories according to the ABS Government Purpose Classification (GPC).

Direct and indirect expenditure

The Report provides data on direct and indirect expenditure. Direct expenditure is the expenditure on services and payments provided directly to individuals, non-government service providers and local governments. Direct expenditure by each level of government (i.e. Australian Government and State and Territory governments — expenditure by local governments is not included) can be added together to provide estimates of total (Australian Government plus State/Territory government) expenditure in each jurisdiction.

In addition to direct expenditure, governments also transfer money to each other (indirect expenditure). For example, in 2015-16 the Australian Government transferred \$106.5 billion ‘to’ and ‘through’ State and Territory governments, including Specific Purpose Payments and Goods and Services Tax. Because the State and Territory governments used this money to purchase goods and services, this report identifies this expenditure as State and Territory direct expenditure, along with money spent by States and Territories that they raised and spent themselves. Transfers (indirect expenditure), which may also occur from one State/Territory government to another, are not counted as direct expenditure, to avoid double counting, when calculating the overall total.

2.2 Indigenous specific and mainstream expenditure

Estimates of Indigenous expenditure in this Report are made up of two components:

- *Indigenous specific expenditure* is expenditure on services and programs that are provided to the Aboriginal and Torres Strait Islander community specifically (and that can be directly identified, and do not need to be estimated). An example is a program for Aboriginal and Torres Strait Islander students in a school
- *Aboriginal and Torres Strait Islander share of mainstream expenditure*. Mainstream expenditure is provided for all people (Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians). The Aboriginal and Torres Strait Islander component is estimated using service use measures.

2.3 Service use measures

There are two methods of estimating the Aboriginal and Torres Strait Islander share of mainstream service expenditure (see box 2.1 for further details):

- mainstream expenditure estimated on the basis of *actual service use* when there is a close relationship between Aboriginal and Torres Strait Islander Australians (as service users) and the cost of providing services
- mainstream expenditure estimated on the basis of *share of population* (used when there is no direct relationship between individual Aboriginal and Torres Strait Islander Australians and the cost of providing services).

Box 2.1 Allocating mainstream service expenditure to Aboriginal and Torres Strait Islander people

The Aboriginal and Torres Strait Islander share of expenditure on mainstream services has been estimated using the best available proxies for the impact of Aboriginal and Torres Strait Islander Australians on expenditure on those services — referred to as ‘service use measures’. Service use measures vary depending on the nature of a particular service:

- where individuals have a direct impact on expenditure, an individual service use measure is used. For example, the proportion of Aboriginal or Torres Strait Islander school students is used to estimate the Aboriginal and Torres Strait Islander share of mainstream expenditure on school services. Where relevant, mainstream service use measures are adjusted for:
 - Indigenous under-identification (where service use measures are known to underestimate the number of Aboriginal and Torres Strait Islander service users)
 - the cost of service provision (where it costs more (or less) to provide a mainstream service to an Aboriginal or Torres Strait Islander Australian) — this is known as a cost differential
 - use of substitute Indigenous specific services (where Aboriginal and Torres Strait Islander Australians are provided with targeted services or programs as an alternative to mainstream programs).
- where individuals have little direct impact on expenditure, a population based service use measure is used; for example, the proportion of the population who are Aboriginal and Torres Strait Islander is used to estimate the Aboriginal and Torres Strait Islander share of expenditure on defence.

Source: SCRGSP 2017, *Service Use Measure Definitions Manual*, 2017 Indigenous Expenditure Report.

2.4 Expenditure estimates

Expenditure on Aboriginal and Torres Strait Islander Australians is the combination of Indigenous specific expenditure plus the Aboriginal and Torres Strait Islander share of mainstream expenditure.

All mainstream expenditure that is not expenditure on Aboriginal and Torres Strait Islander Australians is reported as non-Indigenous expenditure.

Expenditure estimates in 2015-16

In 2015-16, total (Australian Government plus State/Territory governments) direct expenditure was \$556.1 billion.

The total direct expenditure on Aboriginal and Torres Strait Islander Australians was estimated to be \$33.4 billion (6.0 per cent of the total) comprising:

- \$6.0 billion on Indigenous specific expenditure
- \$27.4 billion on mainstream expenditure.

The remainder (\$522.7 billion) was expenditure on non-Indigenous Australians.

3 What estimates are reported, how reliable are they and where can I find them?

The Indigenous Expenditure Report provides users with a range of data available in different formats depending on user preferences and data skills.

3.1 What estimates are reported?

Estimates are reported on:

- level of government: Australian Government, and State and Territory Government expenditure (and the total of both)
- expenditure that occurred in a jurisdiction (for example spending on Aboriginal and Torres Strait Islander Australians in Victoria, by level of government)
- expenditure for over 150 detailed GPC categories (see box 3.1 for information on the structure of GPC categories), and aggregations of these codes. At the highest level, the broad categories are aligned with the six National Indigenous Reform Agreement (NIRA) building blocks (see table 3.1).

Box 3.1 Structure of GPC categories

The GPC codes in this report are established in a hierarchy, for example:

E. Early Child Development and Education and Training (broad category) — also aligned with the National Indigenous Reform Agreement building blocks

- E.1 Early Child Development (one of three subdivisions of E)
 - 0431 Preschool education (one of two subdivisions of E.1)
 - ... 0431a Government preschools (one of three subdivisions of 0431) – this is the lowest level reported

All three subdivisions of 0431 will add to 0431, and all two subdivisions of E1 will add to E1, and all three subdivisions of E will equal E. The data can be accessed at any level. Some data at detailed levels are collected but not published. This expenditure is reported in the next highest category.

Source: SCRGSP 2017, *Expenditure Data Manual*, 2017 Indigenous Expenditure Report.

A list of published categories is included at appendix A.

These data can be further explored by expenditure type:

- mainstream and Indigenous specific expenditure (individual and combined)
- direct and indirect expenditure (individual and combined).

Data for each of the above are then reported for four time periods (2008-09, 2010-11, 2012-13, 2015-16) in both real (i.e. inflation adjusted) and nominal dollars, for total expenditure and expenditure per person (Aboriginal and Torres Strait Island Australians, non-Indigenous Australians, and all Australians).

Data included in this Report enable the calculation of spending ratios — the difference between expenditure on Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians for a service or a group of services, on a per person basis.

3.2 How reliable are the estimates?

Expenditure on Aboriginal and Torres Strait Islander Australians is allocated into the following model components:

- *directly identified Indigenous specific expenditure* is highly reliable (although jurisdictions may not have been able to identify all targeted services)
- *Aboriginal and Torres Strait Islander share of mainstream expenditure estimated on the basis of actual service use* are conceptually robust, but can have limitations where there are gaps in data or incomplete identification of Aboriginal and Torres Strait Islander people in administrative data collections
- *Aboriginal and Torres Strait Islander share of mainstream expenditure estimated on the basis of share of population* are also conceptually robust, but the services are less likely to have ‘on-the-ground’ significance.

Table 3.1 identifies the proportions of Indigenous specific expenditure allocated by each expenditure model component above, by building block.

Table 3.1 **Proportion of expenditure on Aboriginal and Torres Strait islander Australians, allocated by each model component, by building block, 2015-16**

	<i>Allocation of Indigenous expenditure^a (%)</i>			
	<i>Indigenous specific</i>	<i>Indigenous mainstream</i>		
	<i>Directly identified^b</i>	<i>Actual service use^c</i>	<i>Population share^d</i>	<i>Direct Indigenous expenditure \$m</i>
Early child development, and Education and training				
Early childhood	34.2	65.8	–	411
School education	16.5	83.3	0.2	4 026
Tertiary education	52.0	48.0	–	1 328
Total	25.9	73.9	0.1	5 766
Healthy lives				
Hospital services	2.8	97.2	–	3 486
Public and community health	77.3	22.7	–	1 730
Health care subsidies & support	0.6	96.0	3.4	1 085
Total	22.9	76.5	0.6	6 301
Economic participation				
Labour and employment	21.2	38.9	40.0	470
Social security support	–	100.0	–	5 537
Total	1.7	95.2	3.1	6 007
Home environment				
Housing	42.2	40.9	16.9	1 312
Community and environment	50.1	0.2	49.6	1 062
Transport and communications	3.4	–	96.6	752
Total	35.6	17.2	47.2	3 126
Safe and supportive communities				
Public order and safety	12.7	76.4	10.9	4 078
Community support and welfare	13.7	84.6	1.7	3 514
Recreation and culture	43.9	–	56.1	560
Total	15.3	74.6	10.1	8 153
Other government services				
General government and defence	16.7	–	83.3	3 705
Support to industry	3.8	–	96.2	367
Total	15.5	–	84.5	4 072
TOTAL EXPENDITURE	18.0	64.1	17.9	33 425

^a 'Allocation of Indigenous expenditure' components may not sum to 100 per cent due to rounding.

^b Expenditure directly identified as Indigenous specific programs. ^c Expenditure estimated on the basis of actual service use. ^d Expenditure estimated on the basis of the Aboriginal and Torres Strait Islander share of the population. – Zero or rounded to zero.

Source: 2017 Indigenous Expenditure Report database.

The reliability of these data can be influenced by factors such as:

- *Availability and quality* of the service use measure data, and adjustments used in the estimation process. In some cases, the required data are not available or are of relatively poor quality
- *Conceptual precision of service use measures and adjustment factors* (i.e. how well a service use measure represents the link between the service use and costs). The estimates are likely to be more robust where services:
 - *are more homogeneous* — because it is easier to identify a robust service use measure. For example, all eligible recipients of the Australian Government Age Pension received payment according to the same eligibility criteria
 - *are closely aligned with cost centres and administrative portfolios* — because it is easier for jurisdictions to allocate expenditure. For example, education services are generally associated with an education department
 - *have direct interaction with individuals* — because the link between individuals and service costs is more strongly defined. For example, numbers of school students strongly influence school education costs.

3.3 Where can I find the estimates I want?

Data are presented on the Report web page on the *Data tables* tab in four formats. The best format to choose depends on the level of detail required and data skills. The four formats are outlined below with format 1 representing the highest level of data and requiring less data skill and format 4 representing the most detailed level of data and requiring more data skill.

Data quality caveats are provided on a separate web page — a hyperlink to these caveats is available in each data document.

1. Overview data – text and graphic summary of the key data in the report

A summary of the key, high level data from the report is available on the *Key Points* tab on the Report web page (www.pc.gov.au/research/ongoing/indigenous-expenditure-report/2017). It includes links to additional information covering:

- 2015-16 direct expenditure for each building block (e.g Early Child Development and Education and Training)
- 2015-16 direct expenditure for each state/territory.

2. High level statistics in a spreadsheet format, for use in general analysis of the IER dataset

There are 24 *Standard Tables* available in Microsoft Excel and PDF format (www.pc.gov.au/research/ongoing/indigenous-expenditure-report/2017). These provide more detailed estimates than are available from the *Key Points* web page. The tables provide

estimates for 2008-09, 2010-11, 2012-13 and 2015-16 for both expenditure (\$ million) and expenditure per person (\$/person), adjusted for inflation.

The tables cover:

- expenditure program (Indigenous specific or mainstream) — All Government direct expenditure on Aboriginal and Torres Strait Islander Australians, by program (Indigenous specific or mainstream)
 - expenditure by driver of expenditure (intensity of use/cost of provision) — All Government direct expenditure on Aboriginal and Torres Strait Islander Australians, by driver of expenditure
 - expenditure on Aboriginal and Torres Strait Islander Australians and non-Indigenous expenditure by government (Australian or State/Territory)
 - All Government direct expenditure on Aboriginal and Torres Strait Islander, non-Indigenous and all Australians.
3. Excel workbooks with pivot interface, for customisation in Excel of detailed estimates from the IER dataset

Six Excel workbooks are provided with a pivot table interface (www.pc.gov.au/research/ongoing/indigenous-expenditure-report/2017).

Using the pivot tables, it is possible to see the most detailed level of data for all reported GPC codes. Users can also create their own custom pivot tables. The pivot tables are in three sets, with each providing separate workbooks for real (inflation-adjusted) and nominal expenditure:

- All Governments direct expenditure
- Australian Government direct, indirect and total expenditure
- State and Territory Governments direct, indirect and total expenditure.

4. A CSV file, for customisation in multiple formats of detailed estimates from the IER dataset

An unformatted comma separated values (CSV) file for users who wish to analyse the data using their own preferred statistical software (www.pc.gov.au/research/ongoing/indigenous-expenditure-report/2017).

4 What can the estimates tell me (or not)?

4.1 How do estimates compare to those published elsewhere?

The data collection underlying the Report is the only national data collection that estimates expenditure by Indigenous status for all general government expenditures by Australian, State and Territory governments.

The model of direct, indirect and total expenditure described above has been developed to meet the terms of reference for this Report. It differs from other reports in that it provides an allocation of mainstream service expenditure for Aboriginal and Torres Strait Islander Australians, using the direct and indirect method, as well as service use measures and Indigenous specific expenditure.

As the Report allocates government expenditure using ABS GPC codes, the expenditure in this report is conceptually reconcilable to the ABS Government Finance Statistics publications. Data in this report are also consistent with whole of government expenditure data reported in budget papers and financial reports.

4.2 Can the Report match expenditure to outcomes?

The Report is not able to provide information on whether spending has achieved its desired outcome; to do so would require tracking expenditure from governments to individuals, and then determining the impact of the various expenditures on individuals and associated outcomes. This type of study is best done through a cost benefit evaluation of a specific policy/program, which is outside the scope of this report.

In making high level observations on expenditure patterns and outcome patterns, the following should be considered:

- expenditure in one year may take many years to show its impact on individuals or group
- expenditure in one area can influence multiple outcomes (for example, expenditure on education may influence outcomes in employment, economic sustainability and health)
- expenditure from multiple areas can influence a single outcome (for example, improvements in housing, water supply and sanitation may influence health outcomes).

4.3 Why is expenditure higher for Aboriginal and Torres Strait Islander Australians?

Under the Report's model, the variation in expenditure per person between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians can be explained by differences in the *intensity of service use* plus any *higher cost of providing services* to Aboriginal and Torres Strait Islander Australians. The Report makes no assessment as to whether the resulting variations in expenditure are adequate given differences in need, or reflect effective or efficient delivery of services.

On average, direct expenditure per Aboriginal and Torres Strait Islander Australian (\$44 886) is around twice the direct expenditure per non-Indigenous Australian (\$22 356) — a similar ratio to previous years in this Report.

- The majority of the difference was due to a greater *intensity of service use* (\$14 349, 63.7 per cent). The per person intensity of service use is higher if, on average, Aboriginal and Torres Strait Islander Australians tend to use more services than non-Indigenous Australians — either because of greater individual need (and evidence shows that, on average, Aboriginal and Torres Strait Islander Australians experience higher levels of disadvantage than other Australians) or because a higher proportion of the Aboriginal and Torres Strait Islander population belongs to the age group likely to use those services (the Aboriginal and Torres Strait Islander population has a younger profile than the non-Indigenous population)
- The remaining difference (\$8181, 36.3 per cent) was due to the higher *costs of providing services* to Aboriginal and Torres Strait Islander Australians which has two sub-components:
 - *Indigenous specific services that complement mainstream services* (81.5 per cent) — services that Aboriginal and Torres Strait Islander Australians use in addition to a mainstream service; for example, Indigenous student counsellors in schools
 - *mainstream service cost differentials* (18.5 per cent) — any higher cost of providing mainstream services to Aboriginal and Torres Strait Islander Australians, for reasons such as location, culture and language. For social security payments, mainstream service cost differentials reflect differences in the average payment to Aboriginal and Torres Strait Islander and non-Indigenous recipients when assessed against eligibility criteria.

4.4 Why report expenditure per person in the population?

Throughout the Report, estimated expenditure is presented on an expenditure per person basis (that is, expenditure per head of population). This allows for comparison of the relative level of expenditure between Aboriginal and Torres Strait Islander and non-Indigenous

Australians, and across jurisdictions of different sizes. It also allows expenditure in different service areas to be aggregated and compared on a consistent basis (which is not possible if using a denominator such as service user).

Population data used in calculating estimates of expenditure per person are shown in table 4.1. Expenditure estimates per person for 2008-09, 2010-11, 2012-13 and 2015-16 were derived using population data at 30 June 2009, 2011, 2013 and 2016, respectively.

Expenditure per person in the population is not a unit cost measure

Expenditure per person is not the same as expenditure per user and must not be interpreted as a proxy for unit cost, or the amount that individuals receive from government.

Expenditure per user will generally be higher than expenditure per person in the population, because services are generally provided to a subset of the entire population (for example, school education is predominately provided to children aged 5 to 16-17 years).

4.5 What do I need to consider when comparing estimates across jurisdictions?

Across jurisdictions, population distributions differ with respect to the proportion of Aboriginal and Torres Strait Islander Australians, age and geography — for example, the Northern Territory has a much higher proportion of Aboriginal and Torres Strait Islander people (who have a younger age profile than non-Indigenous Australians) in regional and remote areas than other jurisdictions. This may affect the provision of Indigenous specific expenditure and may also impact on service delivery, because service delivery is often more expensive in remote regions.

Comparability across jurisdictions (and indeed over time) may also be affected by other factors related to the data collection for the Report including:

- inconsistencies in jurisdictions' identification of Indigenous specific services
- inconsistencies in jurisdictions' allocation of expenditure to the agreed framework of expenditure categories
- the organisation of services within jurisdictions (that is, whether services are provided by general government, by government owned businesses, or purchased by government from the private sector). The scope of the Report is limited to general government expenditure, so different approaches to service delivery can lead to significant variations in estimated expenditure.

The *Expenditure Data Manual* provides guidelines for recording expenditure against a nationally consistent framework. These guidelines are refined with each edition of the Report, to improve the comparability of expenditure across jurisdictions over time.

Table 4.1 Aboriginal and Torres Strait Islander, non-Indigenous and total resident population

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust^a</i>
30 June 2009									
Aboriginal and Torres Strait Islander ^b	200 673	44 642	179 957	85 214	35 687	23 215	5 696	67 711	642 795
Non-Indigenous ^c	6 853 082	5 327 292	4 148 814	2 155 036	1 573 215	481 138	349 089	158 316	21 045 982
Total	7 053 755	5 371 934	4 328 771	2 240 250	1 608 902	504 353	354 785	226 027	21 688 777
30 June 2011									
Aboriginal and Torres Strait Islander ^b	208 476	47 333	188 954	88 270	37 408	24 165	6 160	68 850	669 616
Non-Indigenous ^c	7 010 053	5 490 484	4 287 824	2 265 139	1 602 206	487 318	361 825	162 442	21 667 291
Total	7 218 529	5 537 817	4 476 778	2 353 409	1 639 614	511 483	367 985	231 292	22 336 907
30 June 2013									
Aboriginal and Torres Strait Islander ^b	216 612	49 715	198 206	91 898	38 981	25 269	6 517	71 111	698 309
Non-Indigenous ^c	7 190 451	5 683 830	4 453 153	2 423 489	1 631 293	487 798	374 397	171 458	22 415 869
Total	7 407 063	5 733 545	4 651 359	2 515 387	1 670 274	513 067	380 914	242 569	23 114 178
30 June 2016									
Aboriginal and Torres Strait Islander ^b	229 951	53 663	213 160	97 681	41 515	27 052	7 103	74 543	744 668
Non-Indigenous ^c	7 495 933	6 014 379	4 631 313	2 519 491	1 666 668	492 076	389 038	170 337	23 379 235
Total	7 725 884	6 068 042	4 844 473	2 617 172	1 708 183	519 128	396 141	244 880	24 123 903

^a Australian totals are the sum of state and territory data and exclude other territories. ^b The ABS uses the Aboriginal and Torres Strait Islander population of Australia as at 30 June 2011 as the base for the projection series for other years. Using assumptions about future fertility, paternity, life expectancy at birth and migration, the 2014 ABS publication provided three main sets of projections. In this Report, series B (moderate) projections have been used as the ABS suggests it is the most appropriate choice for most users. ^c The ABS only publishes official non-Indigenous population data for Census years. For other years, non-Indigenous population data are derived by subtracting Aboriginal and Torres Strait Islander population data from total population data. (Based on ABS advice, this Report derives the non-Indigenous population by subtracting Aboriginal and Torres Strait Islander population projections from the total estimated resident population). Such figures have a degree of uncertainty and should be used with caution.

Source: ABS 2014, *Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 2001 to 2026*, Cat. no. 3238.0; ABS 2016, *Australian Demographic Statistics, June 2016*, Cat. no. 3101.0.

4.6 What do I need to consider when comparing expenditure over time?

The Report provides comparable estimates for 2008-09, 2010-11, 2012-13 and 2015-16. These periods are not intended to represent particular benchmarks against which future expenditure should be compared. Caution should be exercised when interpreting differences across these periods, because government expenditure, particularly for more disaggregated expenditure categories, can change over time for a number of reasons, including:

- *increase in demand for government services* — generally, increases in the level of demand for particular services will increase expenditure, particularly where expenditure is based on meeting eligibility criteria and therefore uncapped (for example, expenditure on unemployment benefits or Medicare)
- *new policies and changes to existing programs* — changes in government policies over time can cause significant movements in expenditure. For example, significant ‘one-off’ global financial crisis stimulus expenditures influenced the 2008-09 estimates. On the other hand, expenditure on many Closing the Gap initiatives did not commence until after 2008-09
- *the effects of inflation* — to determine actual movement in expenditure, the effect of inflation needs to be removed. This report removes the effect of inflation from time series data and expresses data in constant (or real) (2015-16) prices¹. Detailed data on the website are available in either constant (real) or nominal (unadjusted) terms. The deflators used in this series are in appendix B
- *changes to the allocation of expenditure* — the 2017 Expenditure Data Manual provides guidelines to assist governments to allocate outlays to the appropriate expenditure categories. However, changes in the machinery of government, information systems and/or accounting policies can result in different allocations of expenditure over time (particularly at more detailed levels of disaggregation).

The 2017 Report also reflects revisions from the 2014 Report to service use measure data and expenditure allocations by some governments, for the years 2008-09, 2010-11 and 2012-13. Therefore, data in previous editions should not be compared with data in the 2017 Report.

¹ To account for inflation, expenditure for 2008-09, 2010-11 and 2012-13 has been adjusted using the General Government Final Consumption Expenditure deflator (chain price index) (ABS 2016) recommended by the Australian Bureau of Statistics and adopted by the Steering Committee for use in the Report on Government Services.

5 Case study — The NSW Regional Expenditure Estimate Model

NSW Treasury has developed a Regional Expenditure Estimate Model (‘the model’) to support its implementation of Local Decision Making (LDM) in partnership with Aboriginal communities¹. The model provides a high level indication of the quantum of State Government expenditure on Aboriginal people in nominated regions across NSW. The model supports information sharing between the NSW Government and Aboriginal community organisations.

The model is a demonstration of how Indigenous Expenditure Report (IER) data can inform policy development and information sharing with the community. However, the model provides only indicative estimates of regional expenditure and does not substitute for actual regional data. NSW Treasury emphasises that the model is used only to contextualise regional spend for communities who might otherwise have limited information on public investment in their local communities.

The model includes both direct State Government expenditure where known, as well as an apportionment of indirect costs, including corporate overheads. It includes transfers from the Australian Government to the NSW Government, but not payments from the Australian Government directly to Aboriginal service users in NSW.

5.1 Methodology

The model estimates regional expenditure by applying population weights to NSW Government expenditure, and scaling the result by a remoteness adjustment factor which recognises the greater cost of service delivery in regional and remote areas.

The model combines data from a number of sources, including the 2014 IER. In its current form, the model uses the IER’s NSW Government expenditure apportionment (i.e., excludes Australian Government payments direct to service users in NSW) and classification structure as its base.

The model refines its estimates by supplementing IER data with the most granular geographical data available². That is, it will apportion expenditure to the actual region of

¹ The term ‘Aboriginal’ is used in this case study in line with NSW policy.

² The NSW Human Services Data Hub provides much of the data. The Hub is a multi-cluster initiative between the Department of Family and Community Services, the Department of Education, Transport for

spend where the data permit. However, most expenditure data are not available at the regional level, and in these cases population weights are used.

The population weights used depend on the nature and geographical footprint of the program in question. Programs can be variously delivered as either mainstream or Indigenous specific, and they can be delivered across the entire State, or within specific regions.

Once NSW Government expenditure has been apportioned between the different LDM regions, the remoteness adjustment factor is applied. The factor is derived by considering differences in service delivery costs for a range of service classifications based on local government comparative reports.

Once the dollar spend for each program has been apportioned, it is mapped to the IER service classifications³ and reported on a total and per-capita basis.

5.2 Use of the model

As communities separately engage with the LDM process, NSW Treasury briefs community representatives on the indicative estimate of regional expenditure by the NSW Government, along with the limitations of the methodology. Although it is designed to support community local decision making, it should not be relied upon in the absence of other evidence.

Informal community feedback has confirmed the usefulness of this exercise to inform a more strategic discussion on local service delivery and funding priorities and in helping to build trust between partners in the LDM process. Community access to information, even if only indicative and high level, is a key enabler of local decision making. The commitment to transparency and information sharing is in keeping with the guiding principles of LDM, and supports the development of regional and local solutions for regional and local problems.

Community organisations have confirmed to NSW Treasury that they have found the model's outputs useful in building a fuller understanding of their local policy environment. The indicative estimates provided by NSW Treasury supplement the community's on-the-ground experience with service provision in their local areas.

NSW, the Ministry of Health and the Department of Justice. The Hub shares data about the agreements for delivery of human services funded by NSW Government. It is a business intelligence tool which enables aggregated data to be visualised, analysed and cross referenced to other datasets. The data can assist with service planning and management.

³ Early child development, and education and training; healthy lives; economic participation; home environment; safe and supportive communities; other government services.

References

- ABS (Australian Bureau of Statistics) 2016, *Australian System of National Accounts, Expenditure on Gross Domestic Product, Chain price indexes, General government final consumption expenditure, June 2016*, Cat. no. 5204.0, Canberra.
- IERSC (Indigenous Expenditure Report Steering Committee) 2010, *2010 Indigenous Expenditure Report*, Productivity Commission, Canberra.
- SCRGSP (Steering Committee for the Review of Government Service Provision) 2012, 2012 Indigenous Expenditure Report, Productivity Commission, Canberra.
- 2016, *Overcoming Indigenous Disadvantage: Key Indicators 2016*, Productivity Commission, Canberra.
- 2017a, *Expenditure Data Manual: 2017 Indigenous Expenditure Report*, Productivity Commission, Canberra.
- 2017b, *Service Use Measure Definitions Manual: 2017 Indigenous Expenditure Report*, Productivity Commission, Canberra.

A 2017 IER published categories

Code	Category	Available in		
		Standard tables	Pivot tables	Database
Early child development, and education and training				
E.1	Early child development	x	✓	✓
0431	Preschool education	x	✓	✓
0431a	Government preschools	x	✓	✓
0431b	Non-government preschools	x	✓	✓
0431c	Preschools nec	x	✓	✓
0621.1	Child care services	x	✓	✓
E.2	School education	✓	✓	✓
0411	Primary education	x	✓	✓
0411a	Primary education in government schools	x	✓	✓
0411b	Primary education in non-government schools	x	✓	✓
0411c	Primary schools nec	x	✓	✓
0412	Secondary education	x	✓	✓
0412a	Government secondary schools	x	✓	✓
0412b	Non-government secondary schools	x	✓	✓
0412c	Secondary schools nec	x	✓	✓
	Other school education ^a	x	x	✓
0419	Primary and secondary education nec	x	✓	✓
0419a	Government primary and secondary schools	x	✓	✓
0419b	Non-government primary and secondary schools	x	✓	✓
0419c	Other specific school funding	x	✓	✓
0432	Special education	x	✓	✓
0441	Transportation of non-urban school students	x	✓	✓
0449.1	Urban transportation of school students	x	✓	✓
0439.1	Other education not definable related to school education	x	✓	✓
0490.1	Education nec – school education	x	✓	✓
E.3	Tertiary education	✓	✓	✓
0421	University education	x	✓	✓
	TAFE and VET ^a	x	✓	✓
1331	Vocational training	x	✓	✓
0422	Technical and further education	x	✓	✓
	Other tertiary education ^a	x	x	✓
0429	Tertiary education nex	x	✓	✓

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Code	Category	Available in		
		Standard tables	Pivot tables	Database
0449.2	Urban transportation of tertiary students	x	✓	✓
0439.2	Other education not definable related to tertiary education	x	✓	✓
0490.2	Education nec – tertiary education	x	✓	✓
E	Total Early child development, and Education and training	✓	✓	✓
Healthy lives				
F.1	Hospital services (including mental health institutions)	✓	✓	✓
0511	Admitted patient services in acute care institutions	x	✓	✓
0512	Non-admitted patient services in acute care institutions	x	✓	✓
0520	Mental health institutions	x	✓	✓
F.2	Public and community health services (excluding subsidies)	✓	✓	✓
0550	Public health services	x	✓	✓
	Community health services ^a	x	x	✓
0541	Community mental health services	x	✓	✓
0542	Patient transport	x	✓	✓
	Other community health services ^a	x	x	✓
0549.2	Other health practitioners	x	✓	✓
0549.3	Community health	x	✓	✓
0549.4	Dental services	x	✓	✓
F.3	Health care subsidies and support services	✓	✓	✓
	Health service subsidies ^a	x	x	✓
0549.1	Medical services subsidies (including Medicare)	x	✓	✓
0590.1	Private Health Insurance subsidies	x	✓	✓
	Pharmaceuticals, medical aids and appliances ^a	x	x	✓
0560.1	Pharmaceuticals subsidies (PBS)	x	✓	✓
0560.2	Other medications	x	✓	✓
0560.3	Aids and appliances	x	✓	✓
	Research and administration ^a	x	x	✓
0570	Health research	x	✓	✓
0590.2	General health administration	x	✓	✓
F	Total Healthy lives	✓	✓	✓
Economic participation				
G.1	Labour and employment services	✓	✓	✓
1339	Other labour and employment affairs	x	✓	✓
1339c	Labour market assistance to job seekers and industry	x	✓	✓
1390	Other economic affairs nec	x	✓	✓
G.2	Social security support	✓	✓	✓
0610	Social Security	x	✓	✓
0610.1	Assistance to veterans and dependents	x	✓	✓
0610.2	Assistance to people with disability	x	✓	✓
0610.3	Assistance to the aged	x	✓	✓

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Code	Category	Available in		
		Standard tables	Pivot tables	Database
0610.4	Assistance to the unemployed	x	✓	✓
0610.5	Assistance to families and children	x	✓	✓
	Other social security support ^a	x	x	✓
0610.6	Concessions and allowances to low-income earners	x	✓	✓
0610.7	Widows, deserted wives, divorcees and orphan benefits	x	✓	✓
0610.8	Assistance to the vulnerable and people in special circumstances	x	✓	✓
G	Total Economic participation	✓	✓	✓
Home environment				
H.1	Housing	✓	✓	✓
0711.1	Home purchase and home ownership assistance	x	x	✓
0711.2	Social housing	x	✓	✓
0711.3	Rental market assistance	x	✓	✓
	Homelessness assistance ^a	x	x	✓
0621.4	Homeless persons' assistance for young people	x	✓	✓
0629.1	Homeless persons' assistance (for other than youth)	x	✓	✓
H.2	Community and environment services	✓	✓	✓
0712.0	Community development	x	✓	✓
0790.0	Community amenities	x	✓	✓
0720.0	Water supply	x	✓	✓
0730.0	Sanitation services and protection of the environment	x	✓	✓
09	Fuel and energy	x	✓	✓
091	Fuel affairs and services	x	✓	✓
0911	Gas	x	✓	✓
0919	Fuel affairs and services nec	x	✓	✓
092	Electricity and other energy	x	✓	✓
0921	Aboriginal community electricity services	x	✓	✓
0922	Other electricity	x	✓	✓
0929	Other energy	x	✓	✓
0990	Fuel and energy nec	x	✓	✓
H.3	Transport and communications	✓	✓	✓
121	Road transport	x	✓	✓
123	Rail Transport	x	✓	✓
1231	Urban rail transport services	x	✓	✓
1232	Non-urban rail transport freight services	x	✓	✓
1233	Non-urban rail transport passenger services	x	✓	✓
	Other transport ^a	x	x	✓
122	Water transport	x	✓	✓
1221	Aboriginal community water transport services	x	✓	✓
1222	Urban water transport services	x	✓	✓
1223	Non-urban water transport services	x	✓	✓

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Code	Category	Available in		
		Standard tables	Pivot tables	Database
124	Air transport	x	✓	✓
1250	Pipelines	x	✓	✓
128	Other transport	x	✓	✓
1281	Multi-mode urban transport	x	✓	✓
1289	Other transport nec	x	✓	✓
1290	Communications	x	✓	✓
H	Total Home environment	✓	✓	✓
Safe and supportive communities				
I.1	Public order and safety	✓	✓	✓
0311	Police services	x	✓	✓
0320	Law courts and legal services	x	✓	✓
0320.1	Criminal courts services	x	✓	✓
0320.2	Other courts and legal services	x	✓	✓
0320.3	Access to justice	x	✓	✓
0320.3a	Legal assistance services	x	✓	✓
0320.3b	Policy and law reform	x	✓	✓
0330	Prisons and other corrective services	x	✓	✓
0330.1	Juvenile corrective institutions	x	✓	✓
0330.1a	Community-based services	x	✓	✓
0330.1b	Facility based detention	x	✓	✓
0330.2	Other prisons and corrective services	x	✓	✓
0330.2a	Community-based services	x	✓	✓
0330.2b	Facility based detention	x	✓	✓
	Other public order ^a	x	x	✓
0312	Fire protection services	x	✓	✓
0390	Other public order and safety	x	✓	✓
I.2	Community support and welfare	x	✓	✓
	Welfare for the aged ^a	x	x	✓
0530	Nursing homes for the aged	x	✓	✓
0622	Welfare services for the aged	x	✓	✓
0622a	Support programs for the aged	x	✓	✓
0622b	Home and community care services for the aged	x	✓	✓
0622c	Community aged care services	x	✓	✓
0622d	Residential aged care services	x	✓	✓
0623	Welfare services for people with a disability	x	✓	✓
0621.2	Protection and support services	x	✓	✓
0621.3	General family and youth support services	x	✓	✓
	Other welfare ^a	x	x	✓
0629.2	Welfare services nec	x	✓	✓
0690	Social security and welfare nec	x	✓	✓

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Code	Category	Available in		
		Standard tables	Pivot tables	Database
I.3	Recreation and culture	✓	✓	✓
0811	National parks and wildlife	x	✓	✓
	Recreation services ^a	x	x	✓
0819	Recreation facilities and services nec	x	✓	✓
0890	Recreation and culture nec	x	✓	✓
	Culture facilities and broadcasting ^a	x	x	✓
0820	Cultural facilities and services	x	✓	✓
0830	Broadcasting and film production	x	✓	✓
I	Total Safe and supportive communities	✓	✓	✓
Other government services				
J.1	General government services and defence	✓	✓	✓
	General Public Services ^a	x	x	✓
0110	Government superannuation benefits	x	✓	✓
0190	Other general public services	x	✓	✓
	Defence ^a	x	✓	✓
0200	Defence	x	✓	✓
0711.4	Defence housing	x	✓	✓
	Other purposes ^a	x	x	✓
1410	Public debt transactions	x	✓	✓
1430	Natural disaster relief	x	✓	✓
1490	Other purposes nec	x	✓	✓
1420	General purpose inter-government transactions	x	✓	✓
J.2	Support to industry	✓	✓	✓
	Agriculture, Forestry, Fishing and Hunting ^a	x	x	✓
1010	Agriculture	x	✓	✓
1020	Forestry, fishing and hunting	x	✓	✓
	Mining (sans fuels); manufacturing; and construction ^a	x	✓	✓
1110	Mining and mineral resources other than fuels	x	✓	✓
1120	Manufacturing	x	✓	✓
1130	Construction	x	✓	✓
	Tourism and other ^a	x	x	✓
1310	Storage, saleyards and markets	x	✓	✓
1320	Tourism and area promotion	x	✓	✓
J	Total Other government services	✓	✓	✓
Total				
T	Total all areas	✓	✓	✓

^a This category is not part of the GPC structure and has no GPC or other code. It has been established for the purpose of the IER to aggregate lower level GPC categories. Data for this category are accessible under a level three descriptor in the database.

B 2017 IER deflators

Expenditure for 2008-09, 2010-11 and 2012-13 has been adjusted to 2015-16 dollars using the General Government Final Consumption Expenditure deflator (chain price index) in table B.1.

Table B.1 General Government Final Consumption Expenditure deflator (Chain Price Index)

<i>Year Data</i>	<i>Year</i>	<i>Index</i>	<i>Multiplier</i>
June 2009	2008-09	86.9	1.179517
June 2011	2010-11	93.8	1.092751
June 2013	2012-13	97.3	1.053443
June 2016	2015-16	102.5	1

Source: Derived from ABS 2016, *Australian System of National Accounts, Expenditure on Gross Domestic Product, Chain price indexes, General government final consumption expenditure, June 2016*, Cat no. 5204.0.
