

# SERVICES TO INDIGENOUS COMMUNITIES — ASSESSMENT RESULTS

1 This working paper describes the expenses assessment for Services to Indigenous Communities and provides information on its impact on the Goods and Services Tax (GST) revenue distribution for the 2007 Update. The development of the assessment method is discussed in Volume 4 of the 2004 Review Working Papers.

## DESCRIPTION OF THE CATEGORY

- 2 The Services to Indigenous Communities category comprises expenses on:
- community infrastructure in discrete Indigenous communities, including the provision of water and power supply, sewerage and waste water systems, transport facilities, and the ongoing support for the operation and maintenance of these services;
  - municipal-type services for discrete Indigenous communities, such as planning, regulation and building control, sanitation, maintenance of local roads and drainage; and
  - community management for discrete Indigenous communities, which was targeted at enhancing the capacity for communities to plan and manage infrastructure and municipal services.
- 3 Table 1 shows the average expenses for the last six financial years. In 2005-06, the average expenses for this category were \$17.56 per capita, which represented 0.29 per cent of total State average expenses.

**Table 1 Services to Indigenous communities, average expenses 2000-01 to 2005-06**

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Average expenses (\$pc)	5.78	8.29	9.79	11.37	13.00	17.56
% of total State average expenses	0.12	0.16	0.18	0.21	0.23	0.29

## **ASSESSMENT METHOD**

### **Description of the assessment**

- 4 The Services to Indigenous Communities assessment for the 2007 Update was undertaken using six components: fixed costs, community government, remote essential services, land rights, native title; and isolation.
- 5 The expenses assessment method for the 2007 Update was the same as for the 2006 Update:
  - fixed costs, land rights, native title and isolation were assessed using the general methods;
  - dispersion was assessed using the general method applied to the Indigenous population;
  - socio-demographic composition (SDC) related expenses for community government were assessed using the Indigenous Estimated Resident Populations (ERPs) in non-remote and remote identifiable communities represented as a proportion of total State population; and
  - service delivery scale expenses for remote essential services were assessed by weighting the proportion of Indigenous ERPs in small, medium and large identifiable communities in remote and very remote regions and expressing it as a proportion of the total population. A cost weight of two was applied to populations resident in small and medium communities to recognise that per capita costs were higher in smaller communities.

### **Assessment Structure**

- 6 Table 2 summarises the assessment structure for the 2007 Update.
- 7 The proportions of expenses affected by fixed costs, land rights, native title and isolation were estimated using the general methods.
- 8 The component weight for the remote essential services component was based on an estimate of the average proportion of total category expenses spent on the provision of essential services for Indigenous communities located in remote areas.
- 9 The component weight for the remaining component — community government — was derived as the balance of category expenses after expenses on fixed costs, land rights and isolation were also accounted for.

### **Calculating the category factor**

- 10 Table 3 summarises the components, component weights and factors assessed for this category for the last year of the 2007 Update. It shows the calculation of the category factor for 2005-06.

**Table 2 Services to Indigenous communities, assessment structure for the 2007 Update, 2005-06**

Component	Component weight	Factors	Basis of calculation
	%		
Fixed costs	1.36	Administrative scale Fixed costs input costs	General method. General method with weights of 80% for wages, 2% for accommodation and 0.5% for electricity.
Community government	66.38	Socio-demographic composition  Dispersion  Input costs	Based on Indigenous ERPs of non-remote and remote (including very remote) identifiable Indigenous communities. General method applied to the Indigenous population. General method with weights of 70% for wages, 2% for accommodation and 0.5% for electricity.
Remote essential services	30.67	Service delivery scale  Dispersion  Input costs	Based on the Indigenous ERPs of small, medium and large communities in remote and very remote areas, with a cost weight of 2 for small and medium communities. General method applied to the Indigenous population. General method with weights of 70% for wages, 2% for accommodation and 0.5% for electricity.
Land rights	0.53	Land rights	General method.
Native title	0.00	Native title	General method.
Isolation	1.05	Isolation	General method.

**Table 3 Services to Indigenous communities, derivation of category factor, 2007 Update**

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
<b>Fixed costs (component weight = 1.36 %)</b>								
Administrative scale	0.41990	0.56453	0.71116	1.40579	1.84429	5.85692	0.00000	16.28443
Input costs	1.02885	0.99514	0.97511	0.98495	0.97832	0.96027	1.02142	1.02379
Component factor	0.43201	0.56179	0.69346	1.38463	1.80431	5.62424	0.00000	16.67179
<b>A Wgted comp factor</b>	<b>0.00594</b>	<b>0.00772</b>	<b>0.00953</b>	<b>0.01903</b>	<b>0.02480</b>	<b>0.07730</b>	<b>0.00000</b>	<b>0.22915</b>
<b>Community government (component weight = 66.38 %)</b>								
Socio-demographic composition	0.29108	0.00490	1.34287	2.00804	0.55624	0.02331	0.00000	39.61365
Dispersion	0.94715	0.92587	1.01686	1.10196	0.99408	0.95092	0.92477	3.52181
Input costs	1.02569	0.99552	0.97811	0.98674	0.98041	0.96430	1.01885	1.02114
Component factor	0.28317	0.00451	1.33612	2.18615	0.54205	0.02134	0.00000	140.34904
<b>B Wgted comp factor</b>	<b>0.09297</b>	<b>0.00148</b>	<b>0.43869</b>	<b>0.71779</b>	<b>0.17797</b>	<b>0.00701</b>	<b>0.00000</b>	<b>46.08124</b>
<b>Remote essential services (component weight = 30.67 %)</b>								
Service delivery scale	0.16474	0.00000	1.08805	2.71001	0.63280	0.04325	0.00000	41.33416
Dispersion	0.94715	0.92587	1.01686	1.10196	0.99408	0.95092	0.92477	3.52181
Input costs	1.02569	0.99552	0.97811	0.98674	0.98041	0.96430	1.01885	1.02114
Component factor	0.16027	0.00000	1.08258	2.95038	0.61666	0.03958	0.00000	146.44469
<b>C Wgted comp factor</b>	<b>0.02371</b>	<b>0.00000</b>	<b>0.16015</b>	<b>0.43646</b>	<b>0.09122</b>	<b>0.00586</b>	<b>0.00000</b>	<b>21.66382</b>
<b>Land rights (component weight = 0.53 %)</b>								
Land rights	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	99.80879
Component factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	99.80879
<b>D Wgted comp factor</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.53000</b>
<b>Native title (component weight = 0 %)</b>								
Native title	3.0106	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Component factor	3.01061	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>E Wgted comp factor</b>	<b>0.00013</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>
<b>Isolation (component weight = 1.05 %)</b>								
Isolation	0.04110	0.07519	0.11804	1.89790	1.10814	2.96507	0.00000	60.07613
Component factor	0.04110	0.07519	0.11804	1.89790	1.10814	2.96507	0.00000	60.07613
<b>F Wgted comp factor</b>	<b>0.00043</b>	<b>0.00079</b>	<b>0.00124</b>	<b>0.01993</b>	<b>0.01164</b>	<b>0.03114</b>	<b>0.00000</b>	<b>0.63084</b>
<b>Category factor</b>	<b>0.12318</b>	<b>0.00999</b>	<b>0.60961</b>	<b>1.19320</b>	<b>0.30563</b>	<b>0.12130</b>	<b>0.00000</b>	<b>69.13504</b>

Note: For each component, the component factor is calculated using the formula in the following paragraph. The weighted component factor is the component factor multiplied by the component weight. This is then population weighted to ensure that the sum of assessed expenses equals average expenses.

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14 The category factor was calculated as follows:

$$\text{Category factor} = \text{fixed costs} + \text{community government} + \text{remote essential services} + \text{land rights} + \text{native title} + \text{isolation}$$

where

$$\text{fixed costs} = 0.0136 * [\text{administrative scale} * \text{input costs}]$$

$$\text{community government} = 0.6638 * [(\text{input costs other} + \text{dispersion} - 1) * (\text{socio-demographic composition})]$$

$$\text{remote essential Services} = 0.3067 * [(\text{input costs other} + \text{dispersion} - 1) * (\text{service delivery scale})]$$

$$\text{land rights} = 0.0053 * [\text{land rights}]$$

$$\text{native title} = 0.0000 * [\text{native title}]$$

$$\text{isolation} = 0.0105 * [\text{isolation factor}]$$

15 In each case, the contributions to the category factor were calculated as the expense component weight (the percentages in the table) multiplied by the factors (the bracketed terms in the formulas). Each contribution to the category factor was then re-scaled to ensure that, for each of them, the sum of assessed expenses equalled the sum of actual expenses.

## RESULTS FOR 2005-06

16 Table 4 shows actual, average and assessed expenses per capita and the cost of service provision ratio for the assessment in 2005-06. The cost of service provision ratio is equivalent to the category factor shown in Table 3.

17 Table 11 at the end of this working paper summarises the results of the assessment. It shows the average, actual and assessed expenses for each State for all years of the 2007 Update.

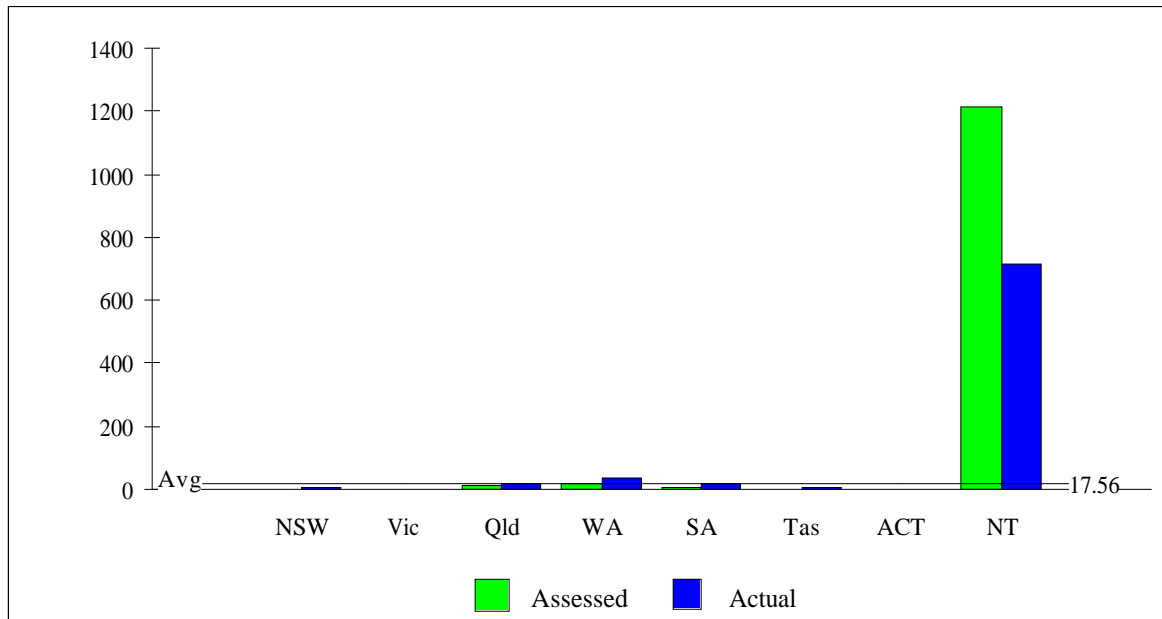
**Table 4 Services to Indigenous communities, assessment results, 2005-06**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses	5.17	0.14	16.79	37.73	20.41	3.07	0.00	714.00	17.56
Assessed expenses	2.16	0.18	10.70	20.95	5.37	2.13	0.00	1213.85	17.56
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio (a)	12.32	1.00	60.96	119.32	30.56	12.13	0.00	6913.50	100.00

(a) The cost of service provision ratio is the ratio of assessed to actual gross expenses per capita.

18 Figure 1 illustrates the per capita average, actual and assessed expenses for Services to Indigenous Communities for 2005-06.

**Figure 1 Services to Indigenous communities, net expenses per capita — average, actual and assessed, 2005-06**



### CONTRIBUTION TO GST REVENUE DISTRIBUTION

19 Table 5 shows the category’s contribution to the distribution of GST revenue and health care grants (hereafter GST revenue). It also shows the contribution of each factor and component to the GST revenue distribution.

#### Differences from an equal per capita assessment

20 Compared with an equal per capita assessment, the 2007 Update distributed \$198.5 million to Western Australia and the Northern Territory from New South Wales, Victoria, Queensland, South Australia, Tasmania and the ACT. This is approximately \$34.8 million more than in the 2006 Update.

21 Table 5 indicates that the disabilities which had the biggest impact on the assessment were:

- the socio-demographic composition factor — recognising that State expenses on community government increase with the number of Indigenous people living in relevant locations;
- the service delivery scale factor — recognising the extra costs associated with providing essential services to Indigenous people in small and medium remote communities; and
- to a lesser extent:
  - dispersion — recognising the differences in per capita costs of service provision associated with the spread of population;

- isolation — recognising the additional costs incurred by the States, attributable to the distances of the States from other State capitals and sources of supply;
- fixed costs — recognising higher per capita costs in providing head office services, resulting from a small population; and
- native title and land rights — recognising expenses incurred in meeting these obligations.

**Table 5 Services to Indigenous communities, contribution of assessment to GST revenue distribution, 2007 Update**

Factor	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Fixed costs</b>									
Administrative scale	-1.1	-0.6	-0.3	0.2	0.3	0.6	-0.1	0.8	2.0
Input costs	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.6
Component factor	-1.0	-0.6	-0.3	0.2	0.3	0.6	-0.1	0.9	2.0
<b>Community government</b>									
Socio-demographic composition	-43.5	-45.4	12.3	18.4	-6.2	-4.3	-2.9	71.5	102.2
Dispersion	-3.2	-3.4	0.6	1.9	-0.1	-0.2	-0.2	4.7	7.1
Input costs	1.8	-0.1	-1.0	-0.3	-0.3	-0.2	0.1	0.0	1.9
Component factor	-52.6	-45.4	-12.6	1.3	-10.2	-4.3	-2.9	126.6	128.0
<b>Remote essential services</b>									
Service delivery scale	-23.6	-21.1	1.4	14.5	-2.4	-1.9	-1.4	34.5	50.4
Dispersion	-1.5	-1.6	0.3	0.9	0.0	-0.1	-0.1	2.2	3.3
Input costs	0.8	-0.1	-0.4	-0.1	-0.2	-0.1	0.0	0.0	0.9
Component factor	-26.1	-21.0	-8.1	3.5	-4.5	-2.0	-1.4	59.5	63.0
<b>Land rights</b>									
Land rights	-0.6	-0.4	-0.4	-0.2	-0.1	0.0	0.0	1.8	1.8
Component factor	-0.6	-0.4	-0.4	-0.2	-0.1	0.0	0.0	1.8	1.8
<b>Native title</b>									
Native title	-0.7	-0.5	-0.4	0.7	-0.2	-0.1	0.0	1.3	2.0
Component factor	-0.7	-0.5	-0.4	0.7	-0.2	-0.1	0.0	1.3	2.0
<b>Isolation</b>									
Isolation	-1.3	-1.0	-0.7	0.4	0.0	0.2	-0.1	2.5	3.1
Component factor	-1.3	-1.0	-0.7	0.4	0.0	0.2	-0.1	2.5	3.1
<b>Redistribution from EPC resulting from the 2007 Update assessment</b>									
	-82.3	-68.9	-22.5	5.9	-14.6	-5.6	-4.5	192.6	198.5

22 Table 6 shows the Indigenous estimated resident population living in remote and non-remote communities.

**Table 6 Services to Indigenous communities, estimated resident population, 2007 Update**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Total population, 000 (A)	6 336	4 663	3 530	1 831	1 471	461	310	190	18 793
Remote Indigenous community ERP	4 679	0	19 745	18 835	3 669	57	0	37 652	84 637
Non-remote Indigenous community ERP	5 093	121	5 373	649	666	0	0	2 318	14 220
Indigenous community ERP (B)	9 772	121	25 118	19 484	4 335	57	0	39 970	98 857
Proportion of total population, % (B / A)	0.2	0.0	0.7	1.1	0.3	0.0	0.0	21.0	0.5
ERP by size of remote communities									
Small	99	0	373	1 039	361	0	0	936	2 808
Medium	1 185	0	1 824	8 476	1 287	57	0	6 377	19 206
Large	3 395	0	17 548	9 320	2 021	0	0	30 339	62 623

23 The category factor reflected the following on a State by State basis.

- *New South Wales, Victoria, South Australia, Tasmania* and the *ACT* — Their assessed GST requirements were all less than equal per capita. For these States, this reflected their lower costs for community government services and remote essential services due to their lower than average proportions of Indigenous people residing in identifiable Indigenous locations.
- *Queensland* – Queensland had a slightly higher than average proportion of Indigenous people residing in identifiable Indigenous locations. Its less than equal per capita redistribution reflected both its lower than average input costs and the Northern Territory’s significantly greater than average proportion of Indigenous people.
- *Western Australia* and the *Northern Territory* — These States had higher than average proportions of Indigenous people residing in identifiable Indigenous locations. This meant their per capita costs of providing services to the communities were higher than average. In particular, the Northern Territory’s proportion of the population that was Indigenous was much larger than that of the other States.

## CHANGES SINCE THE 2006 UPDATE

### Effect of assessment on the distribution of GST revenue

24 Table 7 shows the redistribution of GST revenue resulting from the assessments in the 2006 Update and the 2007 Update. It also shows the sources of changes.

25 Changes in the distribution of GST revenue between the 2006 Update and the 2007 Update were brought about because the Commission:

- used revised financial data in the category average expenses and other revised data in factor calculations for the years 2001-02 to 2004-05; and
- replaced 2000-01 category average expenses and factors with those of 2005-06 to move forward the five-year period on which GST revenue distribution was based. Moving the five-year period forward in this way ensures the assessments reflect recent trends in State priorities on the services provided and recent trends in State demographic, and economic circumstances on the relative costs of those services.

**Table 7 Services to Indigenous communities, effect of assessment on GST revenue distribution, 2006 Update to 2007 Update**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Redistribution from EPC resulting from the 2006 Update assessment (a)</b>	-67.8	-56.5	-19.3	4.6	-12.0	-4.4	-3.7	159.1	163.7
<b>Effect of revising category averages and factors for 2000-01 to 2004-05</b>									
Category average	-2.4	-2.0	-0.7	0.1	-0.4	-0.2	-0.1	5.7	5.9
Category factors	0.2	0.0	0.6	0.4	0.1	0.0	0.0	-1.2	1.3
Interactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>-2.3</b>	<b>-2.0</b>	<b>-0.1</b>	<b>0.6</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.1</b>	<b>4.5</b>	<b>5.1</b>
<b>Effect of replacing 2000-01 category averages and factors with those for 2005-06</b>									
Category average	-12.0	-10.0	-3.4	0.8	-2.0	-0.7	-0.7	28.1	28.8
Category factors	-0.1	-0.2	0.1	0.0	-0.1	-0.1	0.0	0.4	0.6
Interactions	-0.1	-0.2	0.2	0.0	-0.2	-0.2	0.0	0.5	0.7
<b>Total</b>	<b>-12.3</b>	<b>-10.4</b>	<b>-3.1</b>	<b>0.8</b>	<b>-2.3</b>	<b>-1.0</b>	<b>-0.7</b>	<b>29.0</b>	<b>29.8</b>
<b>Redistribution from EPC resulting from the 2007 Update assessment (a)</b>	-82.3	-68.9	-22.5	5.9	-14.6	-5.6	-4.5	192.6	198.5
<b>Total effect of revisions and updating (b)</b>	<b>-14.5</b>	<b>-12.5</b>	<b>-3.2</b>	<b>1.4</b>	<b>-2.6</b>	<b>-1.2</b>	<b>-0.8</b>	<b>33.4</b>	<b>34.8</b>

(a) Assuming same pool and a constant population.

(b) This figure shows the change in the amount redistributed among the States between the 2005 Update and the 2006 Update. It does not necessarily equal the difference in the total redistribution from EPC between the two years.

26 There was a \$34.8m change in the pattern of redistribution between the 2006 and 2007 Updates and an increase of the same order of magnitude from EPC.

27 Table 8 shows the changes in GST revenue attributable to changes in each factor. These changes are without interactions.

28 The main reasons for the changes in GST revenue distribution are outlined in the following paragraphs.

**Table 8 Services to Indigenous communities, effect of assessment on GST revenue distribution by factor, 2006 Update to 2007 Update**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Fixed costs</b>									
Administrative scale	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Input costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Community government</b>									
Socio-demographic composition	-9.7	-8.3	-2.3	0.2	-1.9	-0.8	-0.5	23.2	23.4
Dispersion	-1.8	-0.1	-4.4	-2.9	-0.7	0.0	0.0	9.9	9.9
Input costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
<b>Remote essential services</b>									
Service delivery scale	-4.8	-3.8	-1.5	0.7	-0.8	-0.3	-0.3	10.9	11.6
Dispersion	-0.5	-0.1	-1.7	-1.9	-0.4	0.0	0.0	4.5	4.5
Input costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Land rights</b>									
Land rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Native title</b>									
Native title	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.1
<b>Isolation</b>									
Isolation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1

**Changes due to revising category average expenses and factors for years 2000-01 to 2004-05**

29 **Revising average expenses.** Average expenses were revised upwards for 2003-04 and 2004-05. This resulted in a \$5.1 million redistribution from New South Wales, Victoria, Queensland, South Australia, Tasmania and the ACT to Western Australia and the Northern Territory.

30 Table 9 shows the average expenses and the user charges for the six financial years of this update and those of the previous update.

**Table 9 Average expenses used in the 2006 and 2007 Updates**

	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
2007 Update	-	5.78	8.29	9.79	11.37	13.00	17.56
2006 Update	4.84	5.78	8.29	9.79	10.97	11.64	-
31 Difference	-	0.0	0.0	0.0	0.4	1.4	-

32 **Revising category factors.** The socio-demographic composition, service delivery scale and dispersion factors are the most important factors in this category. The socio-demographic composition and service delivery scale factors have not been revised. Minor revisions were made to common factors (input costs, dispersion, native title, land rights and isolation).

**Changes in State circumstances — replacing 2000-01 with 2005-06 data**

33 Table 10 shows the actual expenses and implied costs of service provision for 2000-01, the year that drops out of the assessment period and 2005-06, the year that comes in, for the 2007 Update assessment. Queensland, Western Australia and the Northern Territory all had increases in their cost of providing services ratios. Changes were mainly due to average expenses.

34 **Replacing average expenses.** Category average expenses have increased between 2000-01 and 2005-06 resulting in a 203.59 per cent increase in average per capita expenses. This increase is greater than the corresponding increase in the GST pool of 43.3 per cent. The category has become more important, resulting in a greater redistribution of GST revenue to Western Australia and the Northern Territory. These States have higher assessed costs relative to other States in this category because:

- an above average proportion of their population is residing in identifiable Indigenous communities; and
- an above average proportion of their population is residing in small or medium remote and very remote Indigenous communities that are more costly to service.

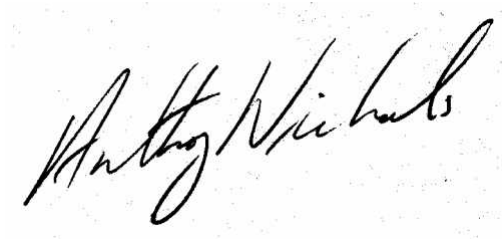
35 Actual expenses have increased in all States except Victoria and the ACT.

36 Table 10 Services to Indigenous communities, actual and assessed expenses and assessed cost of service provision, 2000-01 and 2005-06

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses									
2000-01	1.10	0.76	8.66	7.38	5.45	0.79	0.00	239.43	5.78
2005-06	5.17	0.14	16.79	37.73	20.41	3.07	0.00	714.00	17.56
	%	%	%	%	%	%	%	%	%
Change between 2000-01 and 2005-06									
	371.79	-82.20	93.79	411.39	274.70	288.72	0.00	198.20	203.59
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Assessed expenses									
2000-01	0.73	0.15	3.37	6.82	2.01	1.74	0.00	392.81	5.78
2005-06	2.16	0.18	10.70	20.95	5.37	2.13	0.00	1213.85	17.56
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio									
2000-01	12.61	2.56	58.31	117.88	34.82	30.16	0.00	6792.05	100.00
2005-06	12.32	1.00	60.96	119.32	30.56	12.13	0.00	6913.50	100.00

- 37 ***Replacing category factors.*** Changes to common factors (input costs, dispersion, native title, land rights and isolation) have had a small effect on the category redistribution.

This working paper was prepared by the Expense — Health and Welfare section of the Commonwealth Grants Commission. If you have any questions about its content please contact Anthony Nichols on (02) 6229 8858 or [Anthony.Nichols@cgc.gov.au](mailto:Anthony.Nichols@cgc.gov.au).

A handwritten signature in black ink, reading "Anthony Nichols". The signature is written in a cursive style with a large initial 'A' and 'N'. The background of the signature area is a light, textured grey.

Date: 23/2/07

**Table 11 – Assessment of expenses - Services to Indigenous communities**

	2001-02		2002-03		2003-04		2004-05		2005-06	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
	\$m	\$	\$m	\$	\$m	\$	\$m	\$	\$m	\$
<b>Average Expenses</b>		8.29		9.79		11.37		13.00		17.56
New South Wales										
Assessed difference	- 48.091	- 7.28	- 57.129	- 8.58	- 66.630	- 9.94	- 76.761	- 11.38	- 104.697	- 15.39
Expenses - Assessed	6.693	1.01	8.041	1.21	9.567	1.43	10.929	1.62	14.708	2.16
Actual	12.300	1.86	19.300	2.90	27.000	4.03	24.000	3.56	35.185	5.17
Victoria										
Assessed difference	- 39.336	- 8.14	- 47.065	- 9.63	- 55.361	- 11.21	- 64.110	- 12.84	- 87.926	- 17.38
Expenses - Assessed	0.724	0.15	0.741	0.15	0.783	0.16	0.823	0.16	0.888	0.18
Actual	0.000	0.00	1.391	0.28	1.530	0.31	0.108	0.02	0.688	0.14
Queensland										
Assessed difference	- 12.896	- 3.51	- 15.071	- 4.01	- 17.184	- 4.47	- 19.987	- 5.08	- 27.523	- 6.85
Expenses - Assessed	17.521	4.78	21.702	5.78	26.536	6.90	31.128	7.92	42.979	10.70
Actual	42.625	11.62	55.597	14.80	59.305	15.42	57.399	14.60	67.402	16.79
Western Australia										
Assessed difference	2.420	1.26	6.798	3.51	4.486	2.28	5.084	2.55	6.891	3.39
Expenses - Assessed	18.286	9.55	25.748	13.30	26.819	13.65	31.014	15.55	42.556	20.95
Actual	27.470	14.35	37.723	19.48	39.282	20.00	46.343	23.24	76.639	37.73
South Australia										
Assessed difference	- 8.561	- 5.65	- 10.174	- 6.68	- 11.834	- 7.74	- 13.683	- 8.90	- 18.877	- 12.19
Expenses - Assessed	4.001	2.64	4.726	3.10	5.557	3.63	6.303	4.10	8.309	5.37
Actual	12.329	8.14	7.588	4.98	8.677	5.67	28.480	18.53	31.606	20.41
Tasmania										
Assessed difference	- 3.068	- 6.50	- 3.784	- 7.97	- 4.534	- 9.44	- 5.301	- 10.95	- 7.522	- 15.43
Expenses - Assessed	0.846	1.79	0.861	1.81	0.925	1.93	0.993	2.05	1.038	2.13
Actual	0.242	0.51	0.227	0.48	0.000	0.00	0.000	0.00	1.496	3.07
Australian Capital Territory										
Assessed difference	- 2.656	- 8.29	- 3.156	- 9.79	- 3.678	- 11.37	- 4.222	- 13.00	- 5.748	- 17.56
Expenses - Assessed	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Actual	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Northern Territory										
Assessed difference	112.188	566.21	129.581	653.61	154.735	777.88	178.980	888.25	245.403	1 196.29
Expenses - Assessed	113.831	574.50	131.521	663.40	156.997	789.25	181.600	901.25	249.004	1 213.85
Actual	66.936	337.82	71.514	360.72	91.390	459.43	106.460	528.35	146.467	714.00

Note: ACT expenses may include municipal expenses. Refer to Attachment A, 2007 Update, *RFCs* for how State actual figures are compiled.