



Government of Western Australia
Department of Treasury



Western Australian Aboriginal Expenditure Review 2022-23

Acknowledgement of Country

This report was prepared by Department of Treasury (WA Treasury) on the traditional lands of the Whadjuk people of the Noongar Nation.

WA Treasury acknowledges and pays tribute to the Traditional Custodians of country throughout Western Australia and their continuing connections to land, sea, sky and community.

We pay respect to all members of Western Australia's Aboriginal communities and their cultures, and to Elders past and present.

We acknowledge the strength and stewardship of Aboriginal people in sustaining the world's oldest living culture and value the contribution Aboriginal people make to Western Australia's communities and economies.

We recognise our responsibility as an organisation to work with Aboriginal people, families, communities and organisations to make a difference and to deliver improved economic, social and cultural outcomes for Aboriginal people.

A Note About Language

In this document, in line with the Western Australian Aboriginal Empowerment Strategy, the term Aboriginal people is used in place of 'Indigenous' or 'Aboriginal and Torres Strait Islander' people, in recognition that Aboriginal people are the original inhabitants of Western Australia. We refer to both Aboriginal and Torres Strait Islander peoples, for example, when discussing national-level policies and themes.

Together, Aboriginal people and Torres Strait Islander people make up the First Nations of Australia. This document is primarily about Aboriginal people in Western Australia (including Aboriginal people who also identify as Torres Strait Islander people). We respectfully recognise the valuable contributions of Torres Strait Islander people to Western Australia's society, economy and communities.

A glossary of terms is included on page 46.

Design Acknowledgement

The design used within this document was created by Kathleen Musulin, a proud Malgana Yawuru woman from the Gascoyne region, who works within WA Treasury's Aboriginal Affairs Coordination Unit.

The design is a visual representation of Treasury's journey working with and alongside Aboriginal people, communities, and other Government agencies, to create meaningful connections to country and communities.

Central to the design are the relationships we develop along the way based on building trust, respecting culture, and working transparently to improve outcomes with and for communities in Western Australia.



The circles represent Treasury listening and working together with Aboriginal communities.

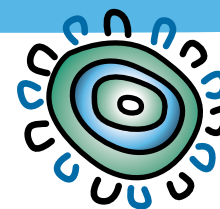


The lines and dots represent Walking Together.



The colours represent the diversity of WA country and Aboriginal groups.





Contents

Acknowledgement of Country	2
A Note About Language	3
Design Acknowledgement	3
Minister's Foreword	5
Aboriginal Advisory Council of Western Australia Foreword	6
Aboriginal Health Council of Western Australia Foreword	7
Under Treasurer's Foreword	8
Executive Summary	9
Introduction	13
Provider Type Analysis	23
Funding Source	30
Mapping to Closing the Gap	32
Program Location Analysis	35
Other Types of Expenditure	37
How will the AER be used in WA	44
Glossary	46
Appendix A: Program List	47
Appendix B: WA Direct Aboriginal Expenditure by CTG Target	47



Hon Dr Tony Buti MLA

Minister's Foreword

I am pleased to present WA's inaugural Aboriginal Expenditure Review, a key commitment under the National Agreement on Closing the Gap.

At its heart, this review is about supporting the Closing the Gap priority reforms, which have been directly identified by Aboriginal and Torres Strait Islander peoples as the transformative changes needed to improve outcomes for their communities.

Transparently reporting on Aboriginal program expenditure will support communities' access to data (Priority Reform 4) and participation in shared decision-making (Priority Reform 1) and will ultimately improve accountability on how money is spent. These insights will help us ensure that existing, and future, investment generates better outcomes on the ground for Aboriginal people.

The review will complement the WA State Commissioning Strategy to put in place tangible steps to reprioritise funding and service provision to Aboriginal community organisations and businesses (Priority Reform 3).

The Cook Government has committed to embed the Aboriginal Expenditure Review as an annual process, aligned with progress reporting on Closing the Gap, to create a transparent and comparable tool for the tracking of expenditure and outcomes.

I acknowledge and commend the continued leadership of the Aboriginal Advisory Council of WA, whose members have long recognised the need, and called, for access to data to empower communities and support decision-making. I thank the Council for its guidance and insight in the development of this review. I also want to recognise the contribution made by Western Australia's Coalition of Peaks representative, the Aboriginal Health Council of Western Australia.

Hon Dr Tony Buti MLA

Minister for Aboriginal Affairs; Education; Citizenship and Multicultural Interests



Aboriginal Advisory Council of Western Australia Foreword



Gail Beck and Marty Sibosado
Co-Chairs, Aboriginal Advisory
Council of Western Australia

The Aboriginal Advisory Council of WA (Council) welcomes the release of the first WA Aboriginal Expenditure Review by the Department of Treasury.

The Council has long advocated for improved outcomes and accountability on how Government funds services to Aboriginal communities. We see this review as a critical step in driving transparency and a shared understanding between the State Government and the Aboriginal community on how government funds are being distributed and used.

Until we measure beyond financial value, we will continue to make decisions at the cost of our personal, social and environmental wellbeing. To truly measure progress, we must measure social value as well as financial value. Without both, we may unwittingly increase one to the detriment of the other. To achieve this, we need to measure progress in terms of wellbeing, employing statistics to identify priority needs.

We see this review as a critical foundation step in implementing and delivering the WA Government's Aboriginal Empowerment Strategy objectives, Closing the Gap commitments and contributing to the WA Government's Substantive Equality

and Inclusion, Efficiency and Effectiveness Policy objectives. This will drive transparency and a shared understanding between the State Government and the Aboriginal community on how government funds are being used.

We want to see a greater assessment, in genuine partnership with Aboriginal people, on where funds are being used and evaluation of how these services are performing to achieve positive outcomes that advance the rights and wellbeing of Aboriginal people in Western Australia. This Review is the first necessary step towards this being achieved.

We have welcomed partnering with Treasury on this key Closing the Gap commitment and look forward to an ongoing collaboration into the future to use this and future reviews to inform positive change for Aboriginal people and their communities.

Ms Gail Beck

Mr Martin (Marty) Sibosado

Co-Chairpersons of the Aboriginal Advisory Council
of Western Australia



Vicki O'Donnell
Chair, Aboriginal Health Council
of Western Australia

Aboriginal Health Council of Western Australia Foreword

As the Chair for the Aboriginal Health Council Western Australia (AHCWA) and currently the only Western Australian Coalition of Peaks representative, I am encouraged to see the Western Australian Government's commitment to the National Agreement on Closing the Gap, in particular to the ongoing reporting on how it funds services for Aboriginal people.

AHCWA supports that the approach taken in Western Australia was developed to meet the needs of our State and with an Aboriginal voice via genuine collaboration with the Aboriginal Advisory Council of Western Australia (AACWA) each step of the way.

Transparent reporting and sharing of funding information with the Aboriginal community has been a long time coming, and we are excited to now have a tool for ongoing collaboration and transparency.

A tool that supports what was required under the National Agreement on Closing the Gap and will be vital to drive a shift in service provision towards the Aboriginal Community Controlled Organisations, who for a long time have been acknowledged as more efficient and more appropriate than non-Aboriginal service providers to inform and deliver services to Aboriginal people and their communities.

AHCWA looks forward to the use of the Aboriginal Expenditure Review, both now and over time, as an opportunity to provide a common language between Government and Aboriginal partners to hold Government accountable for their spending and support shared decision making.

A handwritten signature in black ink, appearing to read 'Vicki O'Donnell'.

Vicki O'Donnell
Chair, Aboriginal Health Council of
Western Australia



Michael Barnes PSM
Under Treasurer

Under Treasurer's Foreword

WA Treasury's role is to support the Government of the day by providing expert advice on financial and economic management and investment to promote the wellbeing of all people in our State.

For too long, decision-making on policies and programs for Aboriginal people have not been made in partnership with Aboriginal people or informed by quality, transparent data on spending and outcomes.

The Aboriginal Expenditure Review represents a first step towards addressing this gap and embedding a reporting process for Aboriginal spending that is timely, transparent and accessible, and that can enable informed decision-making.

Our collective aim is that through sharing data and empowering and working with Aboriginal people and communities, programs and policies will be more effective, with better coordination across services, less duplication, and improved outcomes.

Establishing this baseline will assist the WA Government to track expenditure over time and identify opportunities for reprioritisation of funding towards Aboriginal-led organisations to lead service delivery.

I would like to acknowledge the efforts of Treasury's Aboriginal Affairs Coordination Unit and Data Science Unit, as well as our partner agencies across the public sector, in developing the inaugural Western Australian Aboriginal Expenditure Review.

I also join the Minister in thanking the AACWA and the AHCWA, whose input and advice has been invaluable in shaping this review. WA Treasury looks forward to continuing to work in partnership with the Councils on future reports.

Michael Barnes, PSM
Under Treasurer, WA Treasury



Executive Summary

- Western Australia's first Aboriginal Expenditure Review (AER) aims to provide transparent access to data to inform decision-making and ensure better outcomes for Aboriginal people.
- This is the first review of its kind in Western Australia and reflects the contribution of data from across 23 State Government agencies.
- The review delivers on Western Australia's commitment under the Closing the Gap (CTG) National Agreement to review and identify current spending on Aboriginal programs and services to identify reprioritisation opportunities to Aboriginal organisations.
- For the first time, this review identifies the total quantum of State Government spending on Aboriginal-specific programs and services, and provides insights into the number and type of programs and how they are delivered, including the proportion of delivery by Aboriginal organisations.
- The process of compiling this review has identified data limitations that impact the accuracy, granularity, and comparability of results. In particular, that State financial reporting is captured at a whole-of-agency or service level, rather than at the program or contract level required to report Aboriginal-specific spending.
- As a result, the data collection for this review has been undertaken through manual processes, with resulting risks to accuracy and consistency. Further, it is difficult to fully disaggregate program-level financial data by geography and service provider type, as many programs are delivered in multiple locations by a range of providers.
- We anticipate these challenges will be faced by all States and Territories and will require effort at a national level to ensure reporting consistency.
- Western Australia will seek to improve and broaden the scope of reporting, through consultation with the Commonwealth, local governments, and Aboriginal stakeholders.
- This review makes recommendations to: improve future reviews, apply findings from the review, continue consultation with Aboriginal stakeholders, and guide reprioritisation of spending to Aboriginal organisations.

2022-23 Base Review

This is the first review undertaken by WA Treasury using data collected at the beginning of the 2022-23 financial year. The 2022-23 review will set the baseline for future regular, consistent reporting to enable comparison of annual results.

Expenditure, Programs and Delivery

	2020-21 Actual result	2021-22 Actual result	2022-23 Forecast result
Direct Aboriginal-specific expenditure	\$513m	\$583m	\$770m
Number of Aboriginal-specific programs	345	362	358
Program expenditure delivered by Aboriginal organisations only	18.8%	19.8%	17.7%
Program expenditure which includes Aboriginal organisations in delivery	48.5%	49.9%	52.3%

Key Insights

- In 2021-22, the Western Australian Government spent \$583 million on programs targeted to, or used predominantly by, Aboriginal people and communities.
- This total spend was spread across 362 discrete programs in 23 agencies.
- The baseline delivery profile reflects that:
 - 20% of programs were delivered wholly by Aboriginal organisations;
 - 50% of programs were delivered by a mix of government and non-government providers, including Aboriginal organisations; and
 - 30% of programs were delivered by State Government agencies, with no external involvement.





Bunker Bay in the South West region of Western Australia

Recommendations

Ongoing data collection and reporting

1. The review is repeated annually to create a comparable published baseline for the tracking of Aboriginal expenditure in Western Australia.
2. WA Treasury explores opportunities to improve ongoing data collection and reporting through: aligning program-level and contract-level collection processes; and further investigating the breakdown of expenditure by region and provider type, as well as the allocation of general whole-of-population service expenditure.
3. A central directory of Aboriginal organisations is established to support reporting and efforts to reprioritise service delivery through commissioning.
4. WA Treasury liaises with the Commonwealth and local governments on access to data on spending on Aboriginal-specific programs to assist with identifying total spending on Aboriginal outcomes in Western Australia.

Application of AER data

5. WA Treasury investigates options for the ongoing use of AER data to inform government decision-making on Closing the Gap (CTG) initiatives.
6. The AER data is utilised by Western Australian CTG governance groups (including partnership planning groups) to inform ongoing prioritisation and implementation of reforms to deliver on CTG targets.
7. The application of AER data, and resulting changes to the commissioning of Aboriginal organisations, is reported in future AER reports and Western Australia's CTG Annual Report and implementation plans.

Engagement with Aboriginal stakeholders

8. WA Treasury engages with the AACWA, Aboriginal Health Council of WA, and the peak body for Aboriginal community-controlled organisations (ACCOs), when established, on the review and areas for improvement.

Reprioritisation of service delivery to Aboriginal Organisations

In line with the WA Aboriginal Procurement Policy, agencies are requested to award a specified proportion of their total contracts to registered Aboriginal businesses.

9. When existing commissioned services or other arrangements are due for expiry, or when new services are to be commissioned, agencies should investigate opportunities to increase Aboriginal organisations' participation in delivery of services. Agencies are requested to:

a) report intentions in Agency Commissioning Plans where relevant to community service programs aligned to the State Commissioning Strategy and consult with ACCOs and the community services sector; and

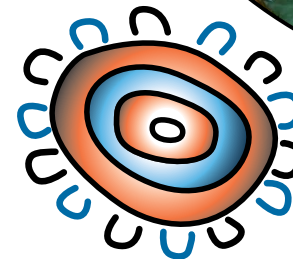
b) consider options to align commissioning activities across agencies and/or streamline processes for Aboriginal organisations.

10. Immediate areas for consideration for the reprioritisation of funding and service delivery to Aboriginal organisations should include:

a) programs that are currently delivered by external parties (including Aboriginal organisations) and/or in partnership (by both government and external parties, including Aboriginal organisations); and

b) new programs or programs where services are intended to be recommissioned or are due to expire in the next 24 months.

11. Longer term areas for consideration for the reprioritisation of funding and service delivery to Aboriginal organisations should include programs targeted to Aboriginal people and communities, or programs where Aboriginal people are predominant recipients of the service, that are currently only delivered by government.



Hamersley Gorge, Karijini National Park in the Pilbara region of Western Australia



Photo courtesy of DBCA

Introduction

This AER meets Western Australia's commitment under the National Agreement on CTG (Clause 113) to report current spending on Aboriginal programs and services and to identify opportunities to reprioritise funding to Aboriginal organisations, in particular ACCOs.

Aboriginal stakeholders, including the AACWA, have long identified the need, and called, for increased transparency and shared data to inform spending decisions on services targeted to Aboriginal people and communities.

WA Treasury has led the delivery of this commitment to deliver a baseline of the State's spending on programs and services for Aboriginal people in Western Australia. As a central policy agency, Treasury's role is to advise government on financial and economic management and investment of public money. Treasury's work on the AER highlights the Government's ongoing commitment to implement the National Agreement on CTG in policy and in practice, and to drive improvement of life outcomes for Aboriginal people and communities through broader reforms.

We acknowledge the contribution of the AACWA in guiding the development of our approach to the review and will continue to engage and partner with the Council to make the review a meaningful tool to drive reform.

As highlighted in Western Australia's Aboriginal Empowerment Strategy, policy decisions about Aboriginal people cannot, and should not, be made without Aboriginal people. Additionally, service delivery led by Aboriginal organisations is critical to improve the effectiveness of programs, to improve employment opportunities, and to develop, retain and utilise skills and expertise within Aboriginal communities.

The COVID-19 pandemic has reinforced the integral role of the Aboriginal community controlled sector across the State in delivering targeted and responsive services to meet community needs.

This inaugural AER report is our first step in building a comparable and transparent tool to support an ongoing dialogue, and partnership, with Aboriginal stakeholders to inform implementation of CTG reforms, and to improve outcomes for Aboriginal people and communities in Western Australia.



Esperance Tjaltjraak rangers as part of the Aboriginal Ranger Program at Dempster Head. Photo – Amanda Smith, DBCA

Why the Aboriginal Expenditure Review is Important

The AER fills a gap in processes to capture and report Aboriginal expenditure data across Western Australia. The Productivity Commission’s 2017 Indigenous Expenditure Review was the last report that estimated the levels of Australian State and Territory government expenditure on services targeted to Aboriginal and Torres Strait Islander Australians.

The tracking of expenditure data, when combined with other information, can contribute to a better understanding of the effectiveness and efficiency of government expenditure to achieve the CTG targets and priority reforms.

The review, and associated data products, is the first step to achieving this outcome by providing an enduring dataset that:

- tracks and monitors the effectiveness, and outcomes of government spending on programs and services for Aboriginal people;
- can be utilised by government agencies to improve service delivery and resource allocation, particularly when investing funds into a program and services that directly impact on Aboriginal people;

- empowers Aboriginal people to facilitate discussions with government on the effectiveness of spending on programs for Aboriginal peoples and communities; and
- provides accountability, transparency and a tool to support information sharing between government and Aboriginal people.

The review can also be used as a resource to inform government decision-making processes, to inform ongoing work under Western Australia’s CTG governance groups and in the annual State Budget.

The Need in Western Australia

Western Australia is a vast, diverse, and beautiful State, home to more than 120,000 Aboriginal people, representing 4.3% of the State's population.¹

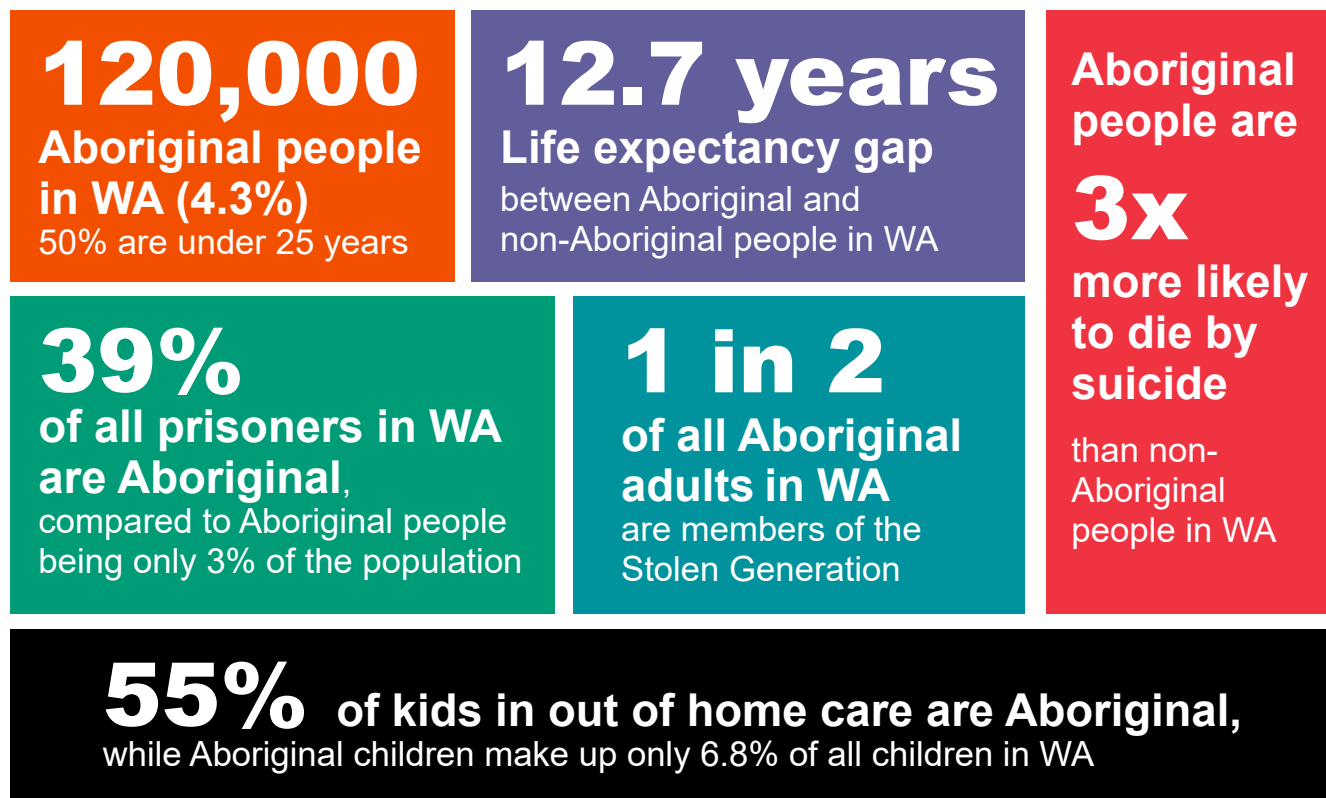
More than 60 Aboriginal languages are spoken in Western Australia and there have been 134 determinations of native title to date, covering 85% of the State, representing the cultural breadth and richness of Traditional Owner groups.

Over 60% of Aboriginal people in Western Australia live in regional areas, with around one in eight living in more than 200 remote communities and homelands. The strengths, challenges and experiences of Aboriginal people across metropolitan, regional and remote areas are varied in some respects, and similar in others.

Evidence can be found in a range of indicators showing that, on average, Aboriginal people have lower levels of health, economic security, social and emotional wellbeing, and educational attainment than other Western Australians.

¹ Data source: Preliminary 2021 Census-based estimated resident population, adjusted for the net undercount. 3238055001DO001 Estimates of Aboriginal and Torres Strait Islander Australians, 2021.

Figure 1 – Key outcomes for Aboriginal people in Western Australia²



² Data sources: Australian Government (2020) National Agreement on Closing the Gap: Baseline Data and Australian Institute of Health and Welfare (2018) Aboriginal and Torres Strait Islander Stolen Generations and Descendants: Numbers, demographic characteristics.



Methodology and Approach

A manual data collection methodology was designed to compile the review, building on previous methodologies from the Productivity Commission's Indigenous Expenditure Review. WA Treasury aimed to map data to State Budget reporting and CTG targets (where possible) to provide a replicable method relevant for Western Australia (Figure 2).

The primary focus of this first review has been on direct expenditure on programs and services for Aboriginal people and communities, with a secondary focus on early data collection on the consumption of citizen-centric services by Aboriginal people (general expenditure). Expenditure requested from agencies was categorised into:

- Aboriginal-specific expenditure (direct expenditure) – spending on services and programs, which has a direct benefit to improve social and economic outcomes for Aboriginal people and communities;

- Aboriginal-predominant expenditure (direct expenditure) – spending on services and programs that are not explicitly targeted to Aboriginal people, but where a large proportion of service users are, or are expected to be, Aboriginal; and
- General or citizen-centric expenditure – spending on programs that are delivered to all Western Australian citizens.

Data captured under the review included: three financial years of program-level spending data – two actual year results (2020-21 and 2021-22) and one budget forecast year (2022-23); program characteristics; geographical break down; alignment to CTG socio-economic targets and priority reforms; details on funding source; and service delivery providers.

All Western Australian public sector entities were approached, with 23 government agencies found to have data in scope of the review.



Crocodile fence on the Ord River. Photo courtesy of DBCA



Figure 2 – Flow chart of expenditure review process

1. Review of existing primary expenditure data

WA Government expenditure

Total expenditure by agencies on services

Estimated general expenditure on services for Aboriginal people

2. Collecting data from agencies

Aboriginal-specific and predominant expenditure on programs

3. Estimating general expenditure

Total expenditure on services **subtract** Aboriginal-specific and predominant expenditure

4. Estimating Aboriginal expenditure

Estimated **direct expenditure** on Aboriginal people

Estimated **general expenditure on services** for Aboriginal people

General expenditure is apportioned largely based on available service use data

How to Interpret the Data

Data presented in this review provide a snapshot of expenditure across three financial years – two historical financial years, reflecting actual spending and one current financial year, reflecting forecast, or budgeted, spending.

In this first review, 2021-22 is the baseline reporting year as it represents the first complete year of data on the actual spend by agencies. To analyse movements between financial years:

- compare actual results (for example, between 2020-21 and 2021-22) to understand the total confirmed program spending over time; and

- compare actual and forecast results (for example, between 2021-22 and 2022-23) to understand the movement between what was actually spent in the previous year and what is forecast to be spent in the current year.

There may be differences between budget forecast expenditure and the resulting actual expenditure due to timing of program delivery and payments, changes in planned service delivery, or cost variance at the point of delivery. As a result, a material increase or decrease between a budget forecast and actual expenditure, or between financial years, does

not necessarily represent a material increase or decrease in the funding approved by Government.

Similar to our State Budget papers, it is intended that AER data will be updated annually to provide a rolling baseline for comparison over time.

In subsequent iterations of the review, the budget forecast year will be updated and reported as actual expenditure. This will become the new base year for comparison and allow for monitoring/reconciliation/consideration of factors that have impacted actual expenditure.

Figure 3 – Interpretation of financial year data

	2020-21 Actuals	2021-22 Actuals	2022-23 Actuals
Agencies			
YYY	XXX	XXX	XXX
	Historic year – Actual expenditure	Baseline year for report. Most recent actual year data	Budgeted year – Forecast expenditure

Key Findings

- Total Western Australian Government expenditure on Aboriginal-specific and predominant programs (direct expenditure) totalled \$583 million in 2021-22 (actual spend).
- Over three-quarters of this spending was on programs specifically targeted to Aboriginal people and communities (\$448 million), with the remaining quarter on programs where Aboriginal people were the predominant recipients (\$135 million).
- Spending on Aboriginal-specific programs increased by 14% compared to 2020-21 actuals expenditure of \$513 million.
- The top 10 agencies (by expenditure) shown in Table 2 represent 93% of Aboriginal-specific and predominant program spending in 2021-22.
- The biggest contributors in 2021-22 were the Departments of Communities (\$167 million or 29%), Health (\$125 million or 21%), Education (\$80 million or 14%), Justice (\$74 million or 13%), and Biodiversity, Conservation and Attractions (\$32 million or 5%).
- 2021-22 expenditure was spread across 362 programs delivered by 23 government agencies, representing around 1.6% of total general government expenditure in Western Australia.

Figure 4 – 2021-22 base year results

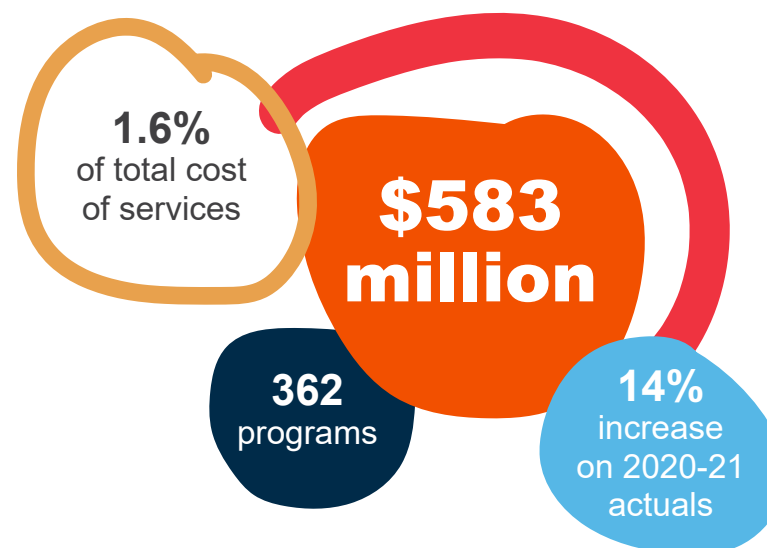
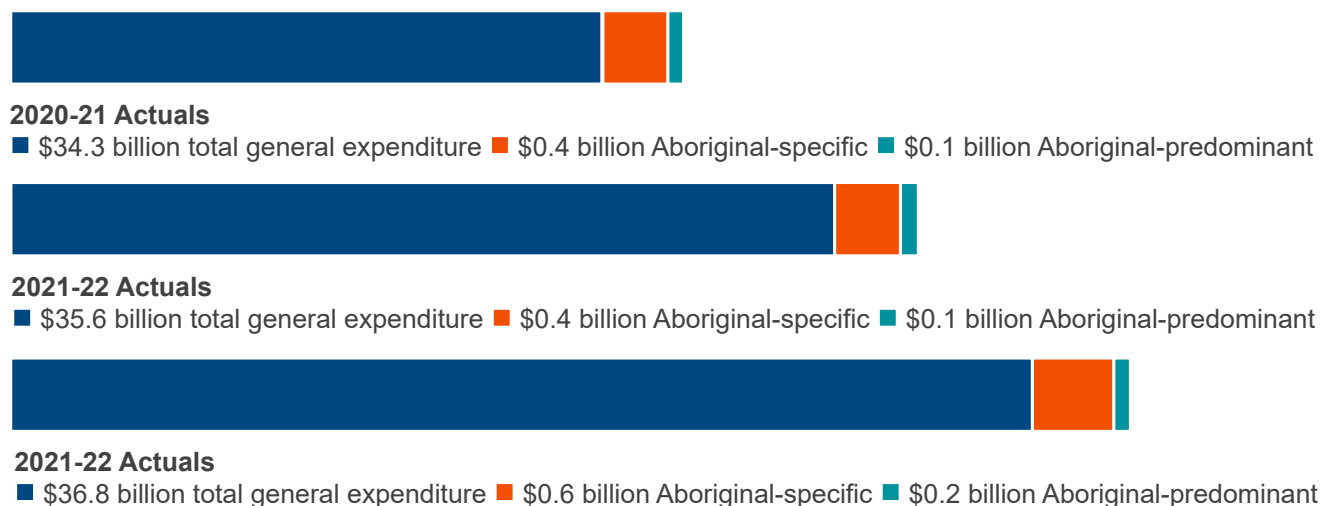


Figure 5 – Western Australian general government total cost of services



- In 2021-22, key programs included:
 - Essential and Municipal Services in Remote Communities (\$74.9 million) – Department of Communities;
 - Aboriginality Allocation to Public Primary Schools (\$36.9 million) and Secondary Schools (\$22.5 million) – Department of Education;
 - Aboriginal Primary Health Contracts (\$20.9 million) – Department of Health;
 - Strengthening Aboriginal Health (\$20.7 million) – Department of Health;
 - Plan for our Parks Joint Management Initiatives (\$17.7 million) – Department of Biodiversity, Conservation and Attractions; and
 - Aboriginal Legal Services (\$15.6 million) – Department of Justice.
- By value, the top 10 programs in 2021-22 accounted for around 40% of all spending.
- Programs totalling less than \$250,000 in 2021-22 represented 3% of all spending, but 43% of total program numbers (see Table 1).
- Examples of these smaller programs include:
 - Family Domestic Violence (Bardimalgu Court) (\$246,000) – Department of Justice;
 - Aboriginal Pastoral Academy (\$238,000) – Department of Primary Industries and Regional Development;
 - Kimberley Aboriginal Law and Cultural Centre Julurru (\$125,000) – Department of Local Government, Sport and Cultural Industries;
 - Better Beginnings: Little Fulla Yarns (\$117,000) – Department of Local Government, Sport and Cultural Industries;
 - Waalitj – Deadly Sista Girls Program (\$70,000) – Department of Health; and
 - NAIDOC Grants to Schools – Public Primary Education (\$61,000) – Department of Education.

Table 1: Breakdown of programs by value

Program value range	2021-22 Actuals \$'000	Programs (number)
\$10 million and above	245,117	10
\$2 million to \$10 million	198,587	45
\$500,000 to \$2 million	108,763	104
\$250,000 to \$500,000	16,092	46
Less than \$250,000	14,847	157
TOTAL	583,406	362

- Program expenditure by provider type, geographical location, and CTG targets is covered in the following sections.
- A complete list of programs captured in the 2022-23 review is shown at [Appendix A](#).

Anticipated Changes in 2022-23 Spend

- In 2022-23, expenditure on Aboriginal-specific and predominant programs is forecast to total \$769 million (or 2.1% of total general government spend), approximately 32% higher than 2021-22 actual spending. The number of programs is forecast to remain relatively stable at 358 programs (compared to 362 in 2021-22).

- The 2022-23 forecast expenditure reflects:
 - a 60% increase in budgeted remote communities expenditure in 2022-23 (including capital works across the Department of Communities and Main Roads), due to an increased program of works reflecting both delays since 2019-20 due to difficulty in accessing remote communities, and scheduled works from recent investment in the last two Budget processes;
 - a ramp-up of existing programs from 2021-22 funding levels following delays in service delivery due to the impact of COVID-19 on the community and services providers – examples include: Department of Jobs, Tourism, Science and Innovation’s Aboriginal Tourism program and the Department of Communities’ Target 120 program; and
 - programs previously in planning phases becoming operational, including: the Department of Planning, Lands and Heritage - Implementation of Native Title Settlements and Indigenous Land Use Agreements; Department of Biodiversity, Conservation and Attractions – Plan for our Parks Joint Management and Phase 2 of the Aboriginal Ranger Program.
- New initiatives commencing in 2022-23 – examples include the Department of the Premier and Cabinet’s Aboriginal Community-Controlled Organisation

Sector Strengthening Grants (\$3.4 million), Department of Health’s Aboriginal Community-Controlled COVID Ambulatory Care Service Regional Grant (\$6.3 million), Department of Justice’s Family and Domestic Violence Broome Court (\$2.9 million), and the Department of Mines, Industry Regulation and Safety’s Aboriginal Empowerment Initiative (\$1.9 million).

- Forecast expenditure in 2022-23 will be reported as actuals spend in the next 2023-24 AER report. This will allow for comparison of what expenditure was anticipated, with what was able to be spent in practice.
- COVID-19’s impact on the community is reducing, with cases by notification down significantly compared to the same time last year. There was a significant peak in May-June 2022, which caused issues in service delivery, particularly in regional and remote areas which experienced various states of lockdown from February 2022. Some expenditure profiles – in particular for remote communities programs – may continue to be impacted by COVID-19 and other environmental impacts such as the Kimberley floods in early 2023.

Notes on Analysis and Interpretation

- It is likely that the 2021-22 aggregate is understated due to the impact of COVID-19 on the community and services providers

(government and non-government), and the difficulty in accessing remote communities. This, in part, reflects the increase in expenditure budgeted for 2022-23.

- The next AER undertaken will capture 2022-23 actuals data and will be a useful comparison point to reflect on how much of the budgeted expenditure was able to be spent. Where there are significant changes, explanation will be provided.

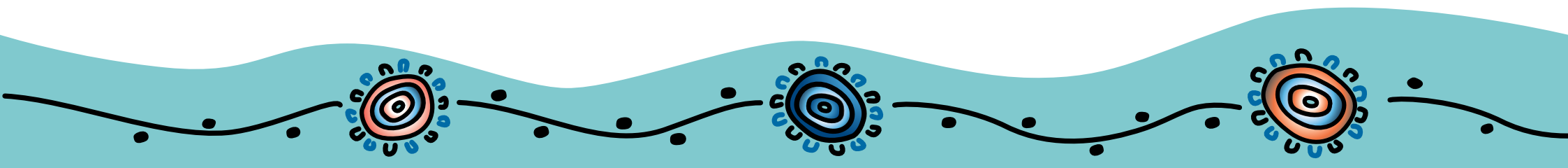
Limitations of Program Level Data

- The expenditure reported in the AER is at a program level, as opposed to individual services, which has limitations. For example, a program such as Aboriginal Community Connectors Program (Patrols) or the Aboriginal Ranger Program could be made up of multiple individual services or service agreements delivered in multiple locations. These may be delivered by different providers and in different locations.
- Data has been collected at the program level to align the AER data collection more readily with State Budget reporting. Future iterations of the review will incorporate, where possible, contract level data and align with other data collection processes under the State Commissioning Strategy (Agency Commissioning Plans) and Forward Procurement Planning data requirements.

Table 2 – Summary of agency spending on Aboriginal-specific and predominant programs

	Program numbers			Expenditure		
	2020-21 (n)	2021-22 (n)	2022-23 (n)	2020-21 Actual spend (\$'000)	2021-22 Actual spend (\$'000)	2022-23 Forecast spend (\$'000)
Agencies						
Communities	35	40	44	139,963	167,036	243,153
Health	93	112	107	115,025	124,871	136,063
Education	27	25	24	79,496	80,418	87,147
Justice	44	49	54	67,875	74,110	84,531
Biodiversity, Conservation and Attractions	15	17	18	21,393	31,702	52,057
Planning, Lands and Heritage	6	6	6	21,780	22,805	48,716
Mental Health Commission	19	18	18	15,157	15,245	20,226
Primary Industries and Regional Development	20	24	20	5,485	10,780	11,544
Water and Environmental Regulation	7	7	7	8,303	9,806	20,953
Training and Workforce Development	5	7	6	7,910	8,626	9,860
Others (includes 13 agencies) ^(a)	74	57	54	30,295	38,006	55,495
TOTAL	345	362	358	512,682	583,405	769,745

^(a) Other agencies in this category includes the Department of Local Government, Sport and Cultural Industries; Department of Jobs, Tourism, Science and Innovation; Department of the Premier and Cabinet; Department of Transport; the Western Australia Police Force; Public Transport Authority; Main Roads WA; Department of Mines, Industry Regulation and Safety; the Public Sector Commission; Department of Finance; Building and Construction Industry Training Fund; the Health and Disability Services Complaints Office; and the State Solicitor's Office.





Provider Type Analysis

- Aboriginal-specific and predominant services in Western Australia are mostly delivered in partnership with the non-government sector, which includes community service organisations and Aboriginal organisations.

The baseline delivery profile for 2021-22 expenditure reflects that:

- 20% of programs were delivered wholly by Aboriginal organisations (\$115.8 million);
- 50% of programs were delivered by a mix of government and non-government providers, including Aboriginal organisations (\$294.6 million)⁴; and
- 30% of programs were delivered by State Government agencies, with no external involvement (\$173 million).

⁴ Includes data where provider type was not available for analysis, totalling 12% of 2021-22 expenditure data (\$70.5 million).

- Of the 50% delivered by a mix of government and non-government providers, including Aboriginal organisations:
 - the most expenditure reported in 2021-22 was delivered by non-government providers exclusively (\$271 million or 46%) across 144 programs. As shown in Figure 6:
 - Aboriginal organisations were the sole providers of \$115.8 million (or 20% of all expenditure) across 46 programs; and
 - \$155.2 million was delivered by a mix of non-government providers.
 - other non-government service providers were also the sole providers for \$42.6 million across 47 programs in 2021-22.
- \$68.8 million (or 12%) of 2021-22 expenditure was delivered in partnership by government and non-government providers, with Aboriginal organisations contributing to the provision of up to \$62.8 million of this expenditure (across 42 programs) in 2021-22.

- A breakdown of expenditure and program numbers across the three financial years by provider type is summarised in Table 3.
- The full list of programs captured in the 2022-23 AER, including the provider type reported by program is captured in [Appendix A](#).

Figure 6 – Provider profile for 2021-22 expenditure

Provider	Amount % of \$583m	Amount \$ of \$583m
WA Government only	30%	\$173m
WA Government and external provider mix ^(a)	12%	\$69m
Mix of non-government providers, including Aboriginal organisations	26%	\$155m
Aboriginal organisations only	20%	\$116m

^(a) Includes Aboriginal organisations.

Table 3 – Baseline data on direct Aboriginal expenditure and program numbers by provider type

Provider type	Program numbers			Expenditure		
	2020-21 (n)	2021-22 (n)	2022-23 (n)	2020-21 Actual spend (\$'000)	2021-22 Actual spend (\$'000)	2022-23 Forecast spend (\$'000)
Government only	127	131	134	149,425	173,039	232,398
Mixed service delivery/in-partnership (government and external)	38	48	53	52,359	68,859	142,870
External providers only	146	144	135	242,878	271,040	312,397
Not provided	34	39	35	68,021	70,467	82,079
TOTAL	345	362	357	512,683	583,405	769,744

Aboriginal Organisation Involvement

Provider type	Program numbers			Expenditure		
	2020-21 (n)	2021-22 (n)	2022-23 (n)	2020-21 Actual spend (\$'000)	2021-22 Actual spend (\$'000)	2022-23 Forecast spend (\$'000)
Any involvement from Aboriginal organisation ^(a)	126	139	143	248,686	291,252	402,506
Aboriginal organisation as the only provider ^(b)	43	46	47	96,237	115,763	136,613

^(a) Total is a subset of totals reported above for mixed service delivery/in-partnership and external providers only.

^(b) Total is a subset of totals reported above for external providers only.

Aboriginal Organisation Service Delivery

- Overall, Aboriginal organisations had a stake in delivering up to \$291.3 million, or 49.9%, of program expenditure across 139 Aboriginal-specific and predominant services in Western Australia in 2021-22 (Table 4).
 - Due to data limitations, we are unable to report the specific total expenditure that goes to Aboriginal providers, beyond where they are sole providers. Instead, the figure represents the scope of programs where there is some Aboriginal provider involvement in service delivery.
 - Aboriginal organisations were the sole providers of \$115.8 million (or 20% of all expenditure) across 46 programs in 2021-22.
 - \$292.2 million across 223 programs had no Aboriginal organisation involvement in 2021-22.
- Further detail is outlined below on the types of programs where Aboriginal organisations are represented in the 2021-22 expenditure data.
- 20% of the programs (29 programs) with any Aboriginal organisation involvement accounted for over 80% of total 2021-22 expenditure. The remaining 110 programs each had expenditure in 2021-22 totalling less than \$2 million (Table 5).
- For **programs delivered exclusively by Aboriginal organisations** in 2021-22 (\$115.8 million), over 80% of expenditure was across two programs:
 - Remote Essential and Municipal Services – Department of Communities (\$74.9 million); and
 - Aboriginal Primary Health Contracts – Department of Health (\$20.9 million).
- The remaining expenditure was spread across 44 programs, with program expenditure of less than \$2 million in 2021-22.

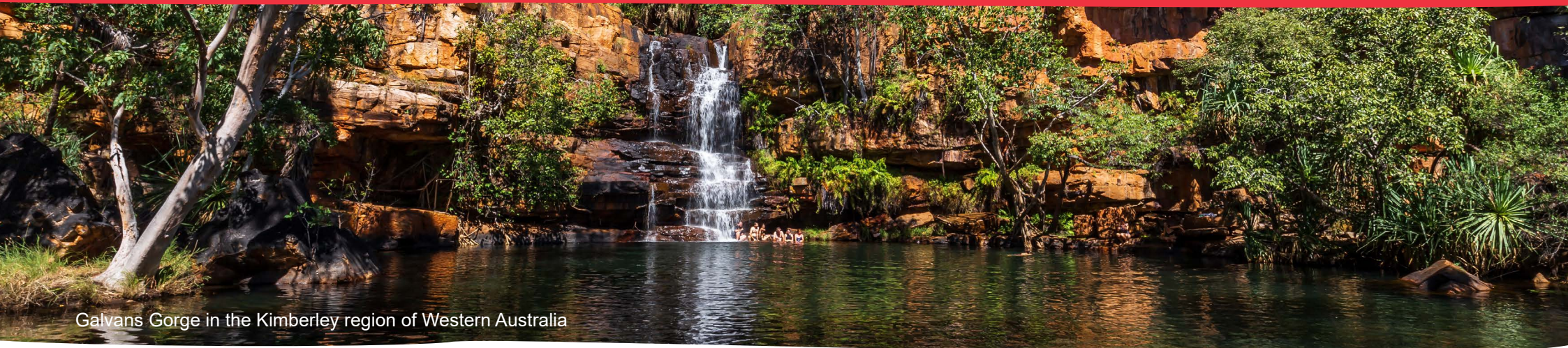
Table 4 – Baseline delivery profile – Aboriginal organisation providers

Program spend	2020-21 Actual	2021-22 Actual	2022-23 Forecast
% delivered by Aboriginal organisations only	18.8%	19.8%	17.7%
\$'000 delivered by Aboriginal organisations only	96,237	115,763	136,613
% which includes any Aboriginal organisations in delivery	48.5%	49.9%	52.3%
\$'000 which includes any Aboriginal organisations in delivery	248,686	291,252	402,506

Table 5: Breakdown of programs by value by provider mix

2021-22 Program expenditure	Any Aboriginal provider involvement \$'000 (program n)	Non- government provider type only ^(a) \$'000 (program n)	All provider types \$'000 (program n)
\$2 million and above	241,497 (29)	219,099 (26)	443,704 (55)
\$500,000 to \$1.99 million	37,903 (38)	37,379 (37)	108,763 (104)
\$250,000 to \$499,999	6,195 (18)	8,891 (24)	16,092 (46)
Less than \$250,000	5,657 (54)	5,671 (57)	14,847 (157)
TOTAL	291,252 (139)	271,040 (144)	583,406 (362)

^(a) Includes Aboriginal organisations.



Galvans Gorge in the Kimberley region of Western Australia

- For **programs delivered in partnership with other non-government providers** in 2021-22 (\$155.3 million), the four largest programs with Aboriginal organisations as part of their service delivery accounted for 29% of expenditure (\$44.8 million) and included:

- Aboriginal Legal Services – Department of Justice (\$15.6 million);
- Reintegration Services (Adult Correctives) – Department of Justice (\$14.2 million);
- WA Aboriginal Environmental Health Program – Department of Health (\$7.8 million); and
- Yorganop Placement Service – Department of Communities (\$7.1 million).

- The remaining \$67.9 million was delivered across 47 programs.

- For **programs delivered in partnership with government agencies and other non-government providers**, in 2021-22

(\$68.9 million), the four largest programs accounted for 45% of expenditure and included:

- Remote Communities Property and Tenancy Management – Department of Communities (\$10.8 million);
- Housing, Essential and Municipal Services Capital Works in Remote Communities and Towns – Department of Communities (\$9.9 million);
- Aboriginal Ranger Program – Department of Biodiversity, Conservation and Attractions (\$5.4 million); and
- Target 120 – Department of Communities (\$5.2 million).

- The remaining \$37.6 million was delivered across 38 programs.

- For programs with **no Aboriginal organisation footprint** (\$292.2 million in 2021-22), the largest of these were provided by government

only, including Aboriginality Allocation for Primary and Secondary Schools – Department of Education (\$59.4 million), Strengthening Aboriginal Health Programs – Department of Health (\$20.7 million) and Joint Management Initiatives Under Plan for our Parks – Department of Biodiversity, Conservation and Attractions (\$17.7 million).

- Of those delivered by non-government organisations, the larger programs included:

- Alcohol and Other Drugs Rehabilitation Services – Department of Justice (\$5.8 million);
- Aboriginal Short Stay Accommodation Services – Department of Communities (\$5.5 million);
- Clontarf Foundation Football Academies program – Department of Education (\$4.2 million); and
- Remote Swimming Pools – Department of Communities (\$3.3 million).



Photo courtesy of DBCA

- Further details on programs can be found in [Appendix A](#).
- Overall data indicate an already significant footprint of programs with Aboriginal organisation involvement in Western Australia. As data was collected at a program level and not individual service or contract level, further work is needed to identify the specific proportion of expenditure provided specifically by Aboriginal organisations or ACCOs where this expenditure has a mixture of providers.
- As programs can be delivered by multiple providers and/or types, current data can indicate what programs (and associated expenditure) Aboriginal organisations or ACCOs have a role in delivering, rather than the specific expenditure delivered by those organisations.

- In line with the profile of overall Western Australian expenditure on Aboriginal-specific and predominant programs (Table 4), many smaller programs are being delivered by Aboriginal organisations and further analysis is needed to consider the sustainability of Aboriginal organisations in the delivery of services in Western Australia.
- The Western Australian Government is committed to not only supporting, but growing the role of ACCOs and Aboriginal organisations in the delivery of services to Aboriginal people, as demonstrated in the whole-of-Government ACCO strategy, Aboriginal Procurement Policy and State Commissioning Strategy.
- In future reports, we will reassess the baselines for expenditure (as reported in Tables 3 and 4) by provider type reported in the 2022-23 report and track progress.

Opportunities to Reprioritise Services to Aboriginal Organisations

- With a large proportion of direct Aboriginal expenditure already being provided by, or in partnership with, external parties to government, Western Australia is well placed to transition towards a greater footprint of Aboriginal organisations, in particular ACCOs in the delivery of community services.
- These programs and/or program areas already delivered in partnership with, or exclusively by external providers, are a prime first area to investigate for opportunities to increase

Aboriginal organisation participation, as a level of contestability already exists.

- The commissioning cycle, as noted in Western Australia's State Commissioning Strategy (Figure 7), provides an opportunity for agencies to consider the role of Aboriginal organisations when reviewing, evaluating and/or recommissioning their programs.
- Additionally, the recently released Western Australian ACCO Strategy will provide a framework for government agencies to consider the role of ACCOs in their service delivery and ways to build capacity in the sector.
- The following recommendations are made to support ongoing work for the reprioritisation of direct Aboriginal expenditure to Aboriginal organisations, in particular ACCOs.



Hoeycomb Gorge in the Pilbara region of Western Australia

Recommendations

Ongoing data collection and reporting

- A central directory of Aboriginal organisations is established to support reporting and efforts to reprioritise service delivery through commissioning.

Application of review data

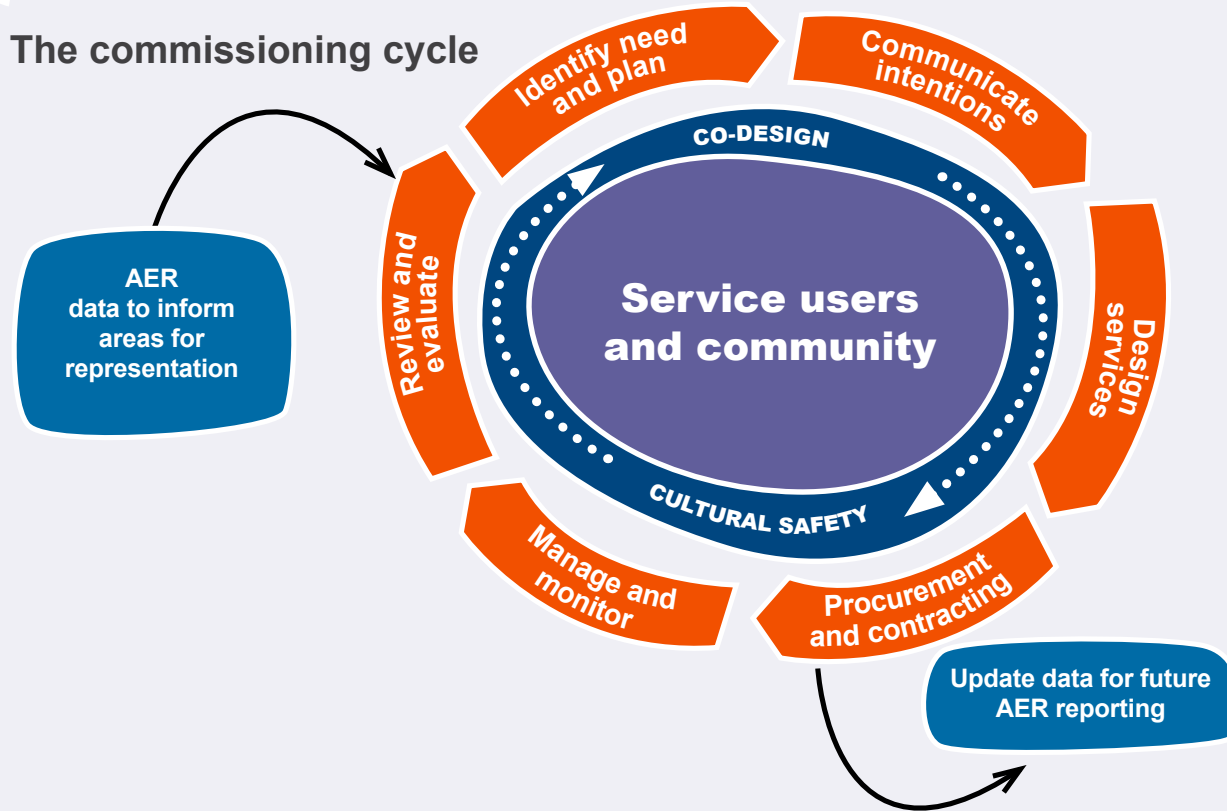
- The review data be utilised by Western Australia's CTG governance groups (including partnership planning groups) to inform ongoing prioritisation and implementation of reforms to deliver on CTG targets.³
- The application of AER data, and resulting changes to the commissioning of Aboriginal organisations, be reported in future AER reports and Western Australia's CTG Annual Report and implementation plans.

Reprioritisation of service delivery to Aboriginal organisations

- In line with the Western Australian Aboriginal Procurement Policy, agencies are requested to award a specified proportion of their total contracts to registered Aboriginal businesses.
- When existing commissioned services or other arrangements are due for expiry or when new services are to be commissioned, agencies should investigate opportunities to increase Aboriginal organisations' participation in delivery of services. Agencies are requested to:
 - report intentions in agency commissioning plans where relevant to community service programs aligned to the State Commissioning Strategy and consult with ACCOs and the community services sector; and
 - consider options to align commissioning activities across agencies and/or streamline processes for Aboriginal organisations.
- Immediate areas for consideration for the reprioritisation of funding and service delivery to Aboriginal organisations should include:
 - programs that are currently delivered by external parties (including Aboriginal organisations) and/or in partnership (by both government and external parties, including Aboriginal organisations); and
 - new programs or programs where services are intended to be recommissioned or are due to expire in the next 24 months.
- Longer-term areas for consideration for the reprioritisation of funding and service delivery to Aboriginal organisations should include programs targeted to Aboriginal people and communities, or programs where Aboriginal people are predominant recipients of the service, that are currently only delivered by government.

³ Further detail on Western Australia's CTG Governance is in Appendix B.

Figure 7: How the AER could interact with the commissioning cycle⁴



What is commissioning?

Commissioning is a strategic approach to the delivery of community services that puts service users at the heart of the process. It looks beyond procurement of services and focuses on longer-term outcomes for individuals and the broader community. Commissioning is a cyclical process of planning, purchasing, managing, monitoring and evaluating services. The State Commissioning Strategy provides more detail on commissioning, its phases and efforts to shift to a commissioning approach for community services.

This AER can be a tool to inform work throughout the commissioning cycle.

⁴ Figure 7 adapted from the State Commissioning Strategy

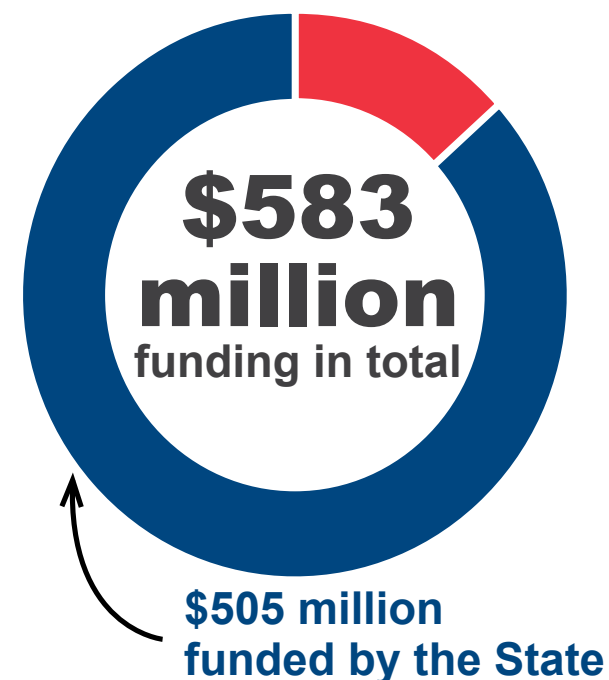
Funding Source

- Over 80% of the Aboriginal-specific and predominant programs reported across the three financial years are funded by the Western Australian Government.
- In 2021-22, 87% of total program expenditure was exclusively State funded (\$505.3 million) as shown in Table 6.**
- Programs with Commonwealth funding reported represents funding received by Western Australian Government agencies for the delivery of services in Western Australia.
- Commonwealth funding was constant across all three financial years collected, representing around 5% of total expenditure.
- In 2021-22, \$31.8 million of Commonwealth funding was reported across 18 programs. Key programs included:
 - Aboriginal Legal Services (\$15.6 million) – Department of Justice;
 - Indigenous Australians Health Program (\$7.2 million) – Department of Health; and
 - KindiLink Program (\$1.2 million) – Department of Education.
- A further \$39.2 million, or 12% of program expenditure across 45 programs was partially funded by the Commonwealth in 2021-22.

Of these, 31 programs were in the Health portfolio (total expenditure of \$9.5 million in 2021-22) across mental health, public health, aged care and dental services.

- Expenditure on all fully Commonwealth-funded programs in 2021-22 was categorised as tied funding, indicating that the funding and/or grants were subject to conditions imposed by the Commonwealth.
- This category includes specific purpose payments provided by the Commonwealth to financially assist the State in the achievement of outputs and outcomes under national agreements.
 - For example, the Commonwealth Government may impose conditions on funding it provides the Western Australian Government for health and education services. Around 61% of partially Commonwealth funded expenditure in 2021-22 were categorised as tied expenditure.
- Current AER data collection does not capture expenditure in Western Australia where it is made directly by the Commonwealth or local government, with no State Government involvement.

Figure 8: 2021-22 Direct Aboriginal expenditure funding sources



Almost 80% of Aboriginal-specific and predominant expenditure was funded by the State

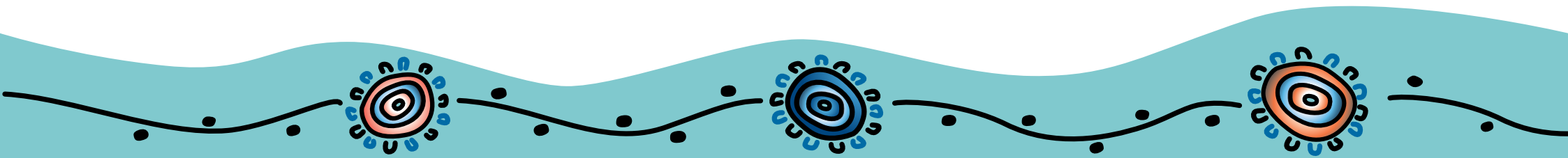
- Further work is needed to develop a more complete picture of government expenditure to support outcomes for Western Australian Aboriginal people across all three levels of government – Commonwealth, State and local government.
- For future AER reports, Western Australia will engage with the Commonwealth and local government on opportunities for alignment of Aboriginal expenditure data collections to improve the reporting on Commonwealth and local government funding in Western Australia. This may include funding that is provided to Western Australian non-government organisations directly.
- The following recommendation is made to support ongoing work to improve future iterations of AER data collection and reporting.

Recommendation

- Liaise with the Commonwealth and local government on access to Aboriginal expenditure data for incorporation into future AER reporting to assist with identifying total government expenditure on Aboriginal outcomes in Western Australia.

Table 6: Direct Aboriginal expenditure by funding source

Funding source	Program numbers			Expenditure		
	2020-21 (n)	2021-22 (n)	2022-23 (n)	2020-21 Actual spend (\$m)	2021-22 Actual spend (\$m)	2022-23 Forecast spend (\$m)
State only	279	285	278	443,822	505,311	636,995
Partial Commonwealth	36	45	42	29,402	39,225	84,114
Full Commonwealth	17	18	19	32,176	31,821	37,413
Not provided	13	14	19	7,282	7,048	11,165
TOTAL	345	362	358	512,682	583,405	769,745





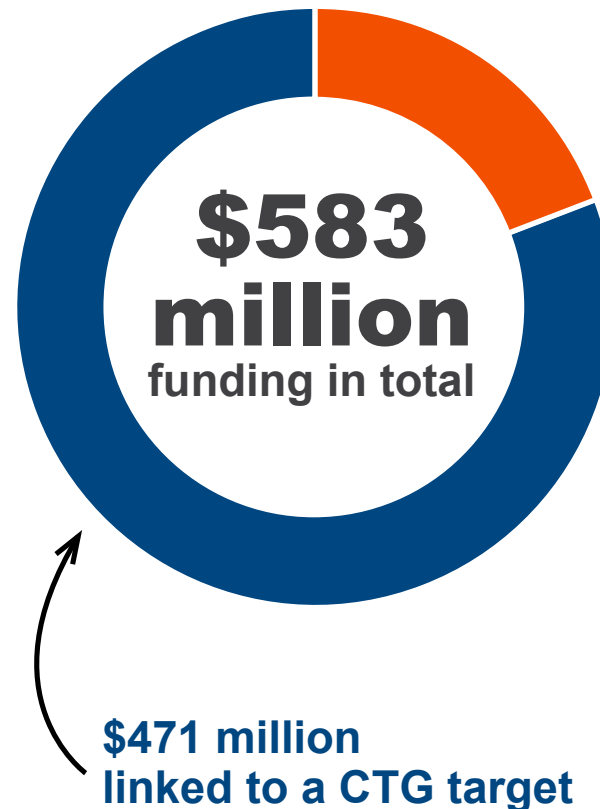
Mapping to Closing the Gap

- To inform the ongoing implementation of Western Australia's response to CTG and drive accountability, expenditure has been reported against the socioeconomic targets and priority reforms within the National Agreement on CTG where possible.

Around \$470.5 million (or 81%) of expenditure in 2021-22 (across 298 programs) could be mapped to a primary CTG target.

- The biggest contributors of expenditure in 2021-22 were seen in:
 - Target 1 – Life Expectancy (\$118.2 million);
 - Target 7 – Youth in Education, Training or Employment (15-24 years) (\$98 million);
 - Target 10 – Adult Incarceration Rates (\$58.1 million);
 - Target 15 – Connection with Land and Waters (\$49.6 million); and
 - Target 9 – Appropriate and Affordable Housing (\$40.8 million).

Figure 9: 2021-22 Direct Aboriginal expenditure linked to a Closing the Gap target



- The target areas with the highest number of programs in 2021-22 include:
 - Target 1 – Life Expectancy (95 programs);
 - Target 8 – Employment for 25-64 years (35 programs); and
 - Target 15 – Connection with Land and Waters (26 programs).
- The following target areas all had less than five programs aligned to expenditure:
 - Target 4 – Early Years Development;
 - Target 6 – Further Education Pathways (25-34 years);
 - Target 12 – Children in Out-of-Home Care; and
 - Target 17 – Digital Inclusion.
- Further detail on expenditure aligned by the CTG target area is provided in Appendix B.

Of the \$583 million direct Aboriginal expenditure, over 80% linked to a CTG target



In 2021-22, \$291.7 million or 50% of expenditure was reported to support a priority reform area, across 147 programs.

- Of this, 2021-22 expenditure was aligned to:
 - Priority Reform 1 – Formal Partnerships and Shared Decision-making – \$99.7 million (61 programs);
 - Example: Department of Communities – Early Years Partnership.
 - Priority Reform 2 – Building the Community-Controlled Sector – \$181.5 million (60 programs);
 - Example: Department of Justice - Yiwarra Kuju/Western Desert Justice Program.

- Priority Reform 3 – Transforming Government Organisations – \$10.2 million (24 programs);
 - Example: Department of Health – Strengthening Aboriginal Health – The provision of a culturally appropriate patient transport service; and
- Priority Reform 4 – Shared access to data and information sharing at a regional level \$0.2 million (two programs);
 - Example: Department of Primary Industries and Regional Development – Pilbara Culture Land Management Project.

Figure 10: 2021-22 Direct Aboriginal expenditure linked to a CTG priority reform



Expenditure linked to a CTG priority reform

- Priority Reform 1: \$99.7 million
- Priority Reform 2: \$181.5 million
- Priority Reform 3: \$10.2 million
- Priority Reform 4: >1 million

Total of \$291.7 million linked to priority reforms in 2021-22

What does this tell us

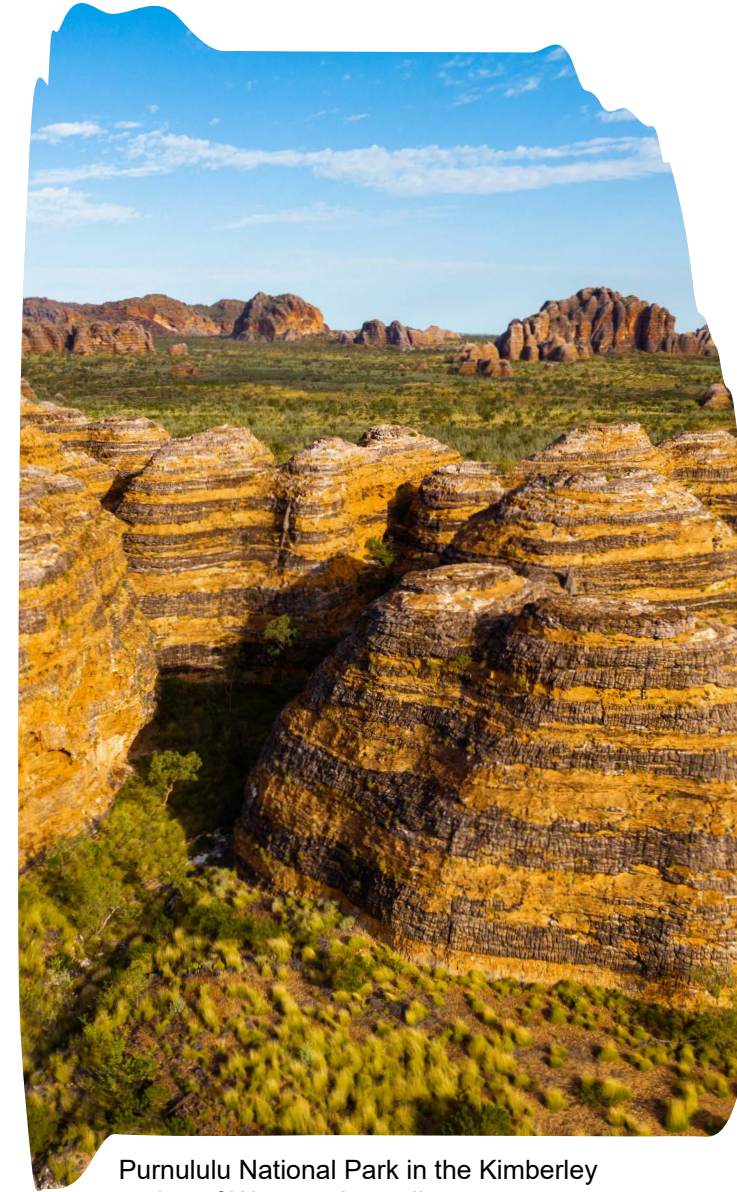
- Expenditure across targets should not be compared directly when considering the appropriate level of investment per target. Higher expenditure in some target areas may reflect the size and breadth of the target's service area or cohorts. For example, Target 1 – Life Expectancy will cover a larger population cohort than Target 11 – Youth Detention Rates.
- Expenditure not linked to a CTG target (\$113 million) may reflect expenditure not being represented in a target area or be attributed to the specific age cohorts reported in the targets.
 - For example, where employment or education/training programs were not specific to the age cohorts defined in Targets 6 – Further Education Pathways (25-34 years), 7 – Youth in Education, Training or Employment (15-24 years) and 8 – Employment for 25-64 years.
- It is important to note that Aboriginal-specific and predominant expenditure does not represent total spend across the targets and priority reform areas, with expenditure also captured under general service delivery.
- This is particularly the case in policy response areas that have statutory service requirements, such as justice and child protection, or areas whose services are universally provided such as education. Consideration across this full spectrum of spend is needed to analyse the Government's contribution to CTG targets.

- It is recommended that a further review of the alignment of Western Australian expenditure to outcomes data on CTG targets is needed to facilitate ongoing conversations between Government and Aboriginal stakeholders on progress against the targets.
- Expenditure in this data collection was reported against a primary target, however we acknowledge that many programs will contribute to more than one target or priority reform area. Further iterations of the AER will look at the broader connection of expenditure across targets.

Recommendations

Application of review data

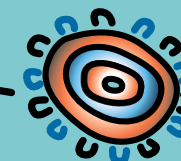
- WA Treasury investigates options for the ongoing use of review data to inform government decision-making on CTG initiatives.
- The review data is utilised by Western Australian CTG governance groups (including partnership planning groups) to inform ongoing prioritisation and implementation of reforms to deliver on CTG targets.



Purnululu National Park in the Kimberley region of Western Australia

Program Location Analysis

- In 2021-22, around 40% of Aboriginal-specific and predominant expenditure (\$235.9 million) was classified as State-wide expenditure, and 60% (\$347.5 million) of expenditure was location-specific spend (delivered regionally, which could include one or more regions).
- **State-wide expenditure** (141 programs) included programs provided across all Western Australian regions, as well as expenditure for central policy or planning development for issues with intended State-wide benefits. Examples of State-wide programs include:
 - Aboriginality Allocation to Public Primary and Secondary Schools – Department of Education;
 - Follow the Dream Program – Department of Education; and
 - Solid Futures Aboriginal Traineeship Program – Public Sector Commission.
- **Location-specific expenditure** is defined as programs delivered in one or multiple regions of the State. Of the \$347.5 million expenditure across 221 programs, 29% of expenditure was delivered in only one region, while 21% was in six or more regions.
- Programs were a combination of standardised services and place-based responses. Examples of location-specific expenditure include:
 - Aboriginal In-home Support Service (Metropolitan) – Department of Communities (one region);
 - Renal Hostels – Department of Health (two regions);
 - Bindjareb Djilba Protection Plan – Department of Water and Environmental Regulation (one region); and
 - Driving Access and Equity Pilot Program – Department of Transport (five regions).
- Due to incomplete data, Treasury is not able to report expenditure across individual regions in this 2022-23 report. However, data are provided on program distribution across regions (Figure 11).
- Data indicate a variance in program distribution (for location-specific expenditure) across regions, with a high number of programs reported in the Kimberley (93 programs) and Perth (94 programs), compared to a lower number of programs seen in the South West, Great Southern and the Wheatbelt regions.
- When adjusted for population data, by reporting programs per 1,000 Aboriginal and Torres Strait Islander population, rates were shown to be significantly higher in the Gascoyne (26 programs per 1,000 population) and marginally higher in the Goldfields-Esperance (10 programs per 1,000 population).
 - As expenditure data cannot be disaggregated across regions where multiple locations of program delivery are identified, further investigation is needed on the program delivery reported in the Gascoyne.
 - Of the 30 programs identified for Gascoyne, only four programs with total expenditure of \$3.1 million in 2021-22 were delivered exclusively in the region. These included the Gascoyne Aboriginal Heritage Cultural Centre – Department of Primary Industries and Regional Development (\$1.8 million) and Gwoonwardu Mia Gascoyne Aboriginal Heritage and Cultural Centre operations – Department of Local Government, Sport and Cultural Industries (\$1.2 million).
 - The remaining 25 programs provided in the Gascoyne were also delivered across four or more regions.





- Further analysis is also needed in future reports to consider the spectrum of service delivery across specific, predominant and general services and how this may vary by location. Understanding this program mix will allow for further assessment of where further investigation is needed into the appropriateness of service delivery.
- Also, in line with the National Agreement on CTG, going forward it is important to review the mix of place-based and region-specific approaches compared with State-wide approaches to ensure the right balance of efficient and effective program delivery is achieved.
- The following recommendation has been made to support further rigour in future reporting on regional expenditure analysis.

Recommendation

Ongoing data collection and reporting

- WA Treasury explores opportunities to improve ongoing data collection and reporting through aligning program-level and contract-level collection processes, and further investigating the breakdown of expenditure by region and provider type, and the allocation of general whole-of-population service expenditure.

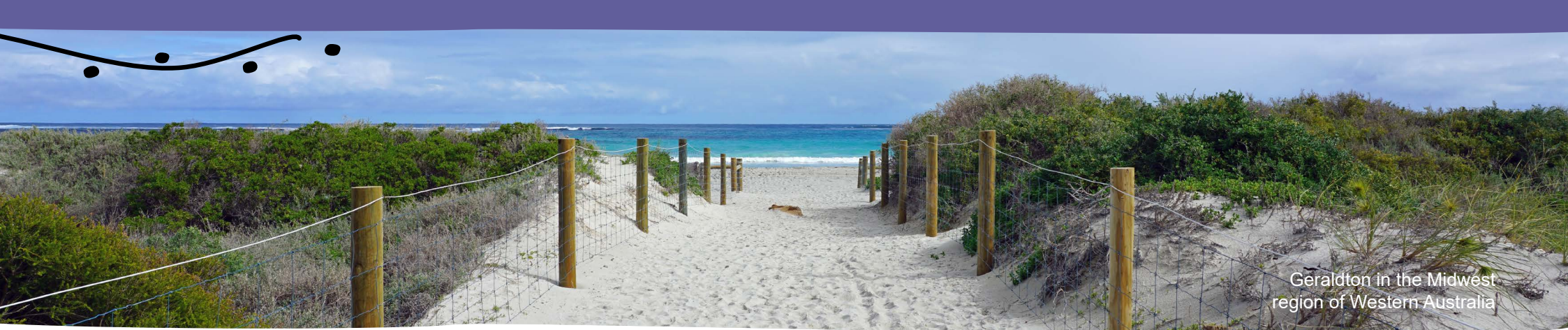
Figure 11:
Location-specific program numbers by region with Aboriginal population adjustment⁵

■ Kimberley 93 programs 6 per 1,000 Aboriginal population
■ Pilbara 54 programs 7 per 1,000 Aboriginal population
■ Gascoyne⁶ 30 programs 26 per 1,000 Aboriginal population
■ Midwest 47 programs 9 per 1,000 Aboriginal population
■ Goldfields-Esperance 49 programs 10 per 1,000 Aboriginal population
■ Wheatbelt 21 programs 6 per 1,000 Aboriginal population
■ Perth 94 programs 2 per 1,000 Aboriginal population
■ South West 25 programs 5 per 1,000 Aboriginal population
■ Great Southern 20 programs 8 per 1,000 Aboriginal population



⁵ Data source: Census of Population and Housing, 2021, ABS TableBuilder. 2021 Census - counting persons, place of usual residence. SA3 (UR) by INGP Indigenous Status. Access as at: 20 February 2023.

⁶ Further investigation is needed on the program delivery reported in the Gascoyne.



Geraldton in the Midwest region of Western Australia

Other Types of Expenditure

General Services

- Aboriginal people, just like any other citizen, are entitled to access services that are delivered as part of general 'whole-of-population' service delivery. While preliminary data on general services was collected, for this reason, we have chosen not to quantify this expenditure as part of an overall reportable figure for Western Australian Aboriginal expenditure. This approach was supported through our consultation with the AACWA.
- Additionally, the initial focus of this 2022-23 AER report is direct expenditure on services that can readily be considered for ACCO reprioritisation, in alignment with Clause 113 of the National Agreement on CTG.
- From initial data collection, estimating the expenditure on general services for Aboriginal people was found to only be relevant for a subset of agencies whose data we collected (e.g. the Departments of Education, Communities, Health and Justice).
- Agencies such as the Departments of Planning, Lands and Heritage and Main Roads reported no cost differentials or service usage measures on Aboriginal proportionality for general expenditure.
- Table 7 provides an overview of the types of services captured under general expenditure. Case studies are also provided of how general expenditure and estimated general expenditure on Aboriginal people has been estimated for the Departments of Education and Communities.
- Further work is needed to fully assess data and consider the role of whole-of-population services in service provision to Aboriginal people.
- What is of relevance, however, is understanding where there is over-representation of Aboriginal people in service delivery and the appropriateness of these services to meet the needs of Aboriginal people, and to also consider where there may be difference in service delivery regionally.
- For example, some regions may have a higher concentration of Aboriginal-specific services due to a higher concentration of Aboriginal population while others may receive services more in a mainstream or general service way.
- The overall consideration of the spectrum of service delivery – across direct Aboriginal expenditure and general expenditure – is needed across regions and target issues to better understand opportunities to drive improvements in outcomes.
- Future AER data collection and reporting will consider the role of general expenditure in service provision to Aboriginal people.

Table 7: General services example

Agency	Example of general services
Department of Education	<ul style="list-style-type: none"> ▪ Public primary and secondary schools ▪ Support to the School Curriculum and Standards Authority
Department of Health	<ul style="list-style-type: none"> ▪ Public hospital admitted and non-admitted services ▪ Mental health services (hospital based) ▪ Aged and continuing care services ▪ Public health (where not targeted at Aboriginal cohorts)
Department of Justice	<ul style="list-style-type: none"> ▪ Adult Corrective Services ▪ Youth Justice Services ▪ Trustee Services ▪ Births, deaths and marriages services ▪ Legal Aid assistance ▪ Courts and Tribunal services
Department of Communities	<ul style="list-style-type: none"> ▪ Social and affordable housing ▪ Family and domestic violence services (where not targeted at Aboriginal cohorts) ▪ Out-of-home care – eg. foster care and family group home services ▪ Homelessness support services (where not targeted at Aboriginal cohorts) ▪ Grand carers support scheme ▪ Intensive family support services



Case Study: Department of Education

The Department of Education's services covers the provision of primary and secondary education in Western Australia.

Funding through targeted initiatives (such as the \$80.4 million for 25 programs in 2021-22 captured in direct expenditure on Aboriginal people) is provided to specified schools for strategic programs and services.

The majority of funding (general expenditure) is provided to individual schools through a student-centred funding model. The model is based on school characteristics (enrolment and locality) and student characteristics, including an Aboriginality allocation.

This allocation is provided for eligible students to help the school address the learning needs of Aboriginal students and close the education achievement gap between Aboriginal and non-Aboriginal students.

Funding is provided for each Aboriginal student in the school, with funding increasing progressively as the proportion of Aboriginal students in the school exceeds 5%.

Figure 12: Flow chart of expenditure data using AER methodology

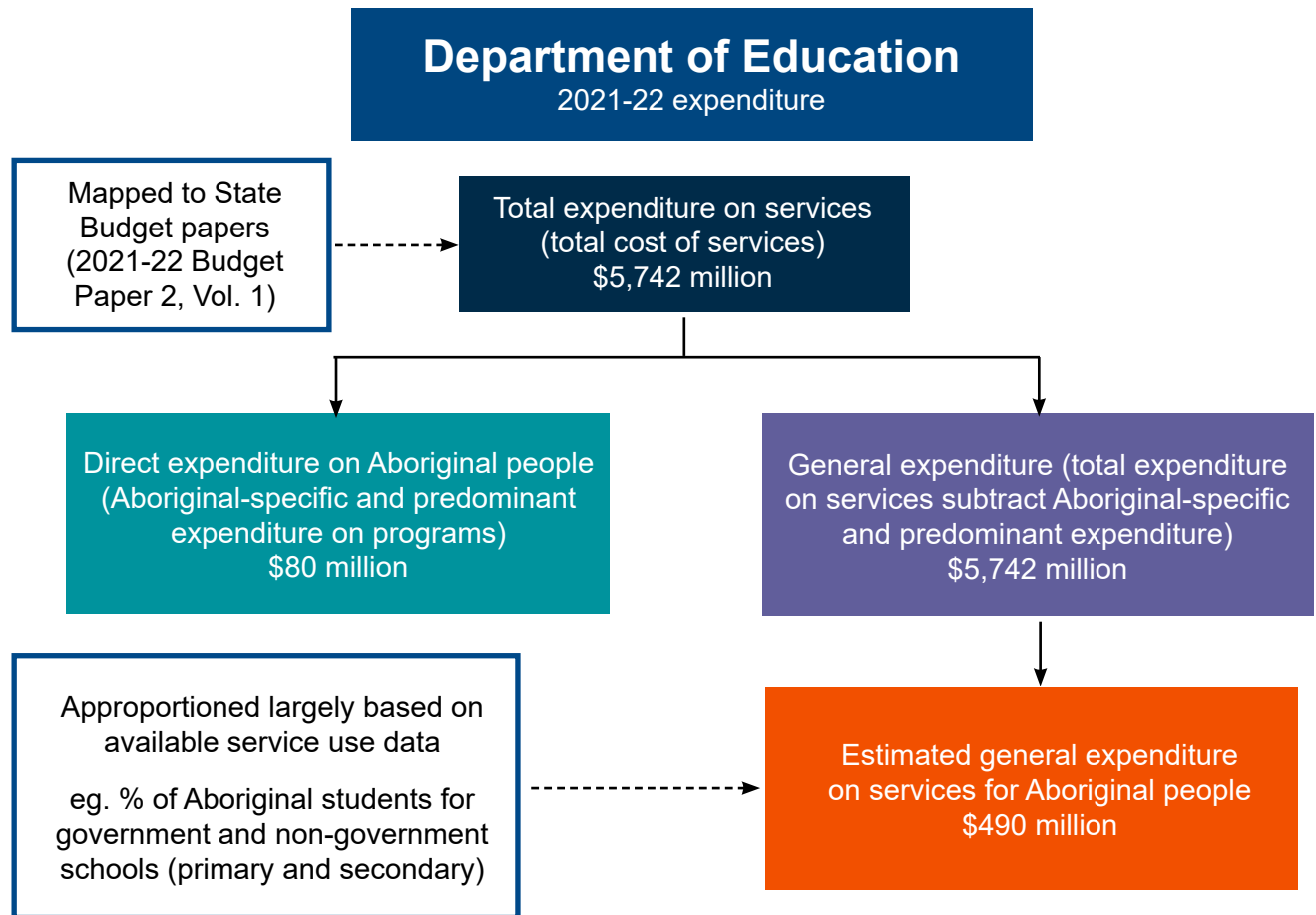
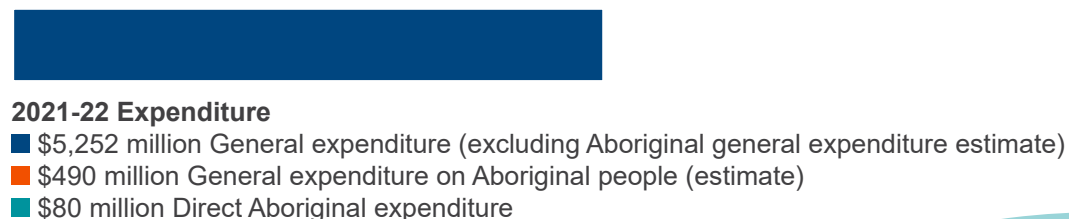


Figure 13: Total cost of services for Department of Education



Case Study: Department of Communities

The Department of Communities (Communities) provides services to the most vulnerable Western Australians across disability services, child protection and family support and housing. Aboriginal clients are disproportionately over-represented in many of these services.

This is reflected in Communities' cost profile when looking at funding to support Aboriginal people, with direct Aboriginal expenditure the largest of any agency in 2021-22 (\$167 million) and a large proportion of general expenditure estimated as spend for Aboriginal people.

General expenditure for Communities captured expenditure on services across a broad range of areas including activities to deliver core statutory functions such as child protection assessment and investigations, as well as intervention type services for domestic violence, parenting, financial counselling and homelessness.

Figure 14: Flow chart of expenditure data using AER methodology

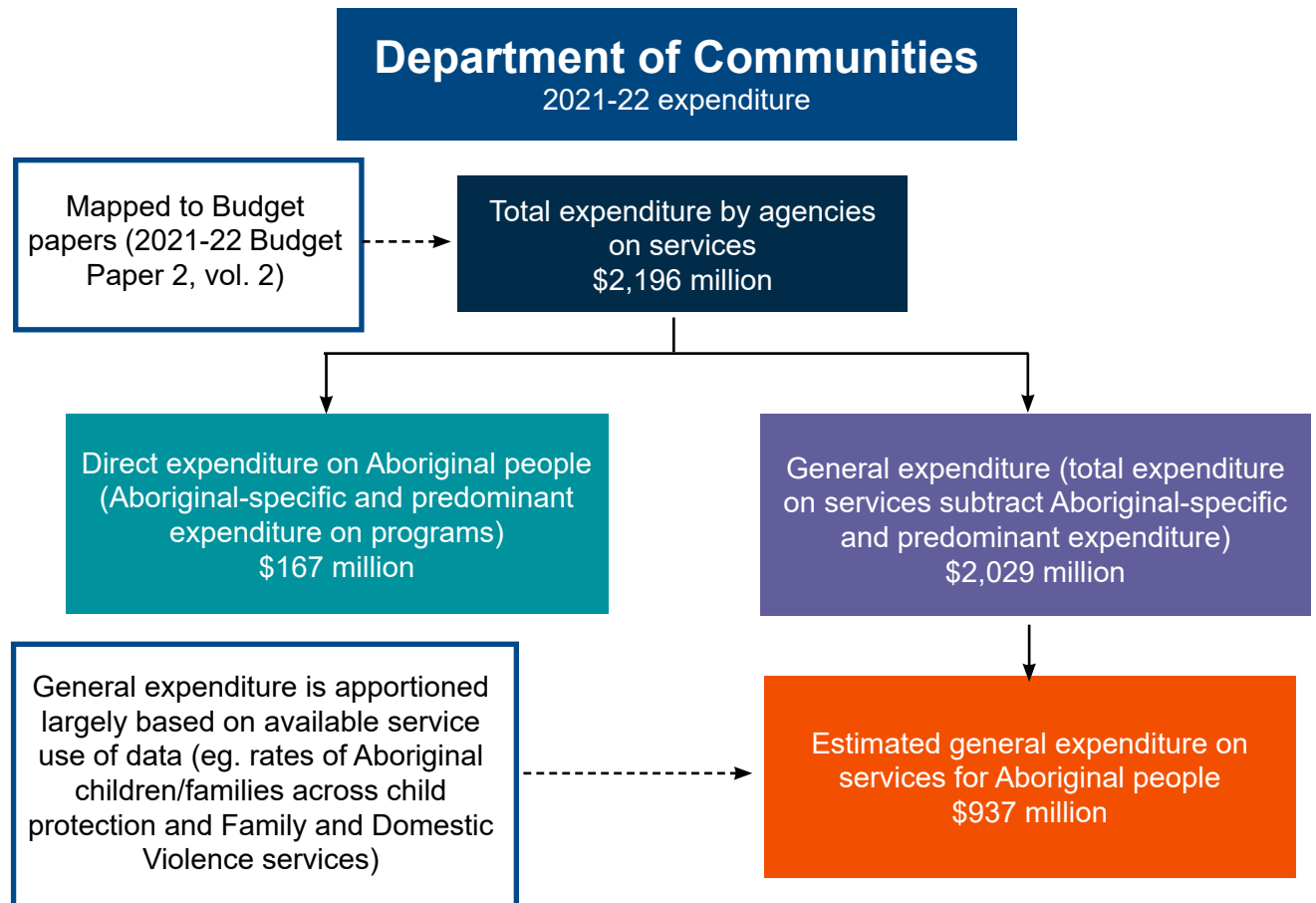


Figure 15 : Total cost of services for Department of Communities



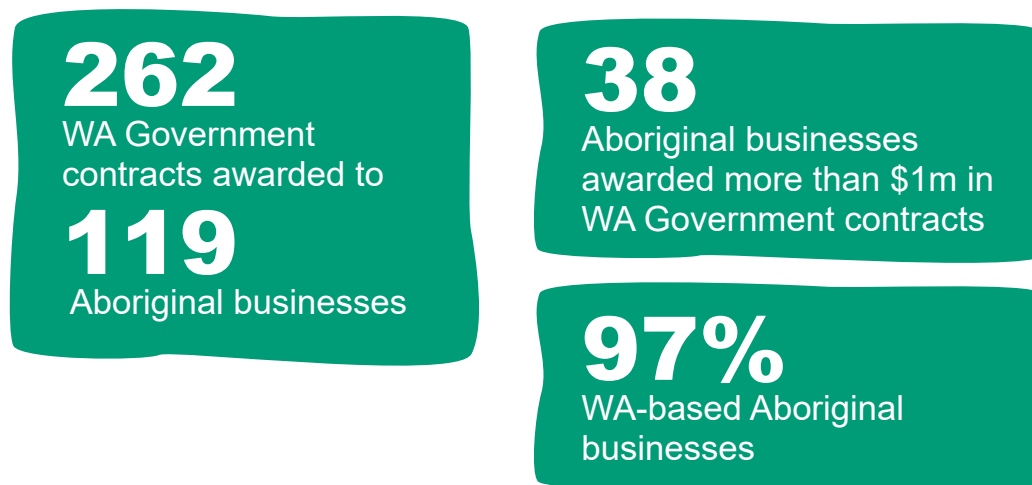
Aboriginal Procurement Policy

- The Aboriginal Procurement Policy (APP) was implemented in 2018 and mandates progressive targets for the award of contracts to Aboriginal businesses by Western Australian Government agencies.
- The AER did not aim to capture agency expenditure made under the APP, where the purpose of spend was not directed at Aboriginal outcomes. While we acknowledge this expenditure does contribute to economic outcomes for Aboriginal people, it was not a focus of this first AER data collection as data is already reported by the Department of Finance, as the implementing agency for the APP.
- In 2021-22, nearly \$254 million worth of contracts were awarded under the APP, comprising 262 contracts to 119 Aboriginal businesses. This compared to \$136 million the previous financial year.
- Contracts were across the areas of works (106 contracts; \$108.2 million), community services (26 contracts; \$96.5 million) and goods and services (130 contracts; \$48.9 million).
- Over \$140 million – more than half of the contracts in 2021-22 – were awarded to Aboriginal businesses for projects in regional Western Australia.
- The agencies performing highest against the policy in 2021-22 included Main Roads (40 contracts), WA Country Health Service (15 contracts; \$46 million) and the Departments of Communities (38 contracts; \$62 million) and Education (31 contracts; \$13 million).

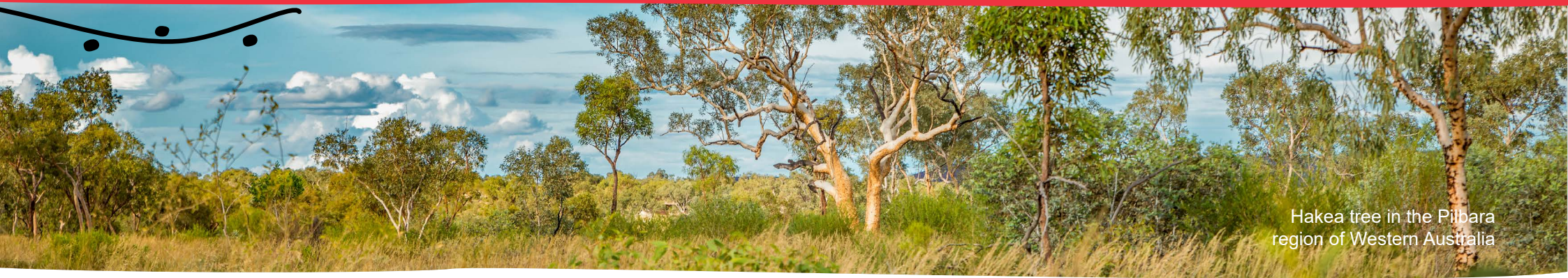
Figure 16: 2021-22 Expenditure under the Aboriginal Procurement Policy⁷



Overview



⁷ Data taken from: Aboriginal Procurement Policy. Performance Report 2021-22. Department of Finance, Government of Western Australia. Available online: <https://www.wa.gov.au/system/files/2023-01/Aboriginal-Procurement-Policy-Report-Infographic-2021-2022.pdf>



Hakea tree in the Pilbara region of Western Australia

Native Title – An Example of Aboriginal-led Expenditure

- Native title compensation is an emerging priority in Western Australia and an example of expenditure being driven by Aboriginal people for Aboriginal people.
- The Western Australian Government recognises compensation as spending to compensate for past acts and it is not seen as government expenditure, as per other program expenditure in this report.
- In this report, native title spend is highlighted as an example of where the Western Australian Government has been working in partnership with Aboriginal people to align expenditure with the aspirations of the community.
- The Western Australian Government is committed to resolving native title matters, including compensation claims arising from the *Native Title Act 1993* (Cth), through comprehensive agreements with native title holders to facilitate sustainable economic and social development outcomes.
- The approach to developing and implementing agreements aligns with the Western Australian Aboriginal Empowerment Strategy and CTG priority reforms, with agreements providing a key mechanism for the Western Australian Government to partner with Traditional Owners and pursue outcomes in line with their aspirations and deliver outcomes at a local and regional level.
- Agreements, as shown in the three examples in Figure 18, can contain funding on a range of initiatives and programs that have been led by Traditional Owners and funding streams to support each group's own aspirations across a variety of areas from conservation to economic development, eco-tourism, business development and social policy areas such as housing, education and culture.

Figure 17: Traditional Owners celebrate the Pila Native Title Determination in Western Australia on 15 June 2022





Figure 18: Comprehensive native title agreements in WA

1 Pila Nature Reserve Compensation and Lurtjurrululu Palakitjalu Settlement Agreement

The first section 47c agreement under the *Native Title Act 1993* to become operative in Australia. Joint management by Traditional Owners and State Government of the Pila Nature Reserve. The total package of benefits worth \$10 million for the Yarnagu people.

2 Yamatji Nation Indigenous Land Use Agreement (ILUA)

Approximately 48,000 square kilometers of land in the Geraldton and Mid West region. A package of benefits for the Yamatji people, totalling approximately \$500 million.

3 South West Settlement

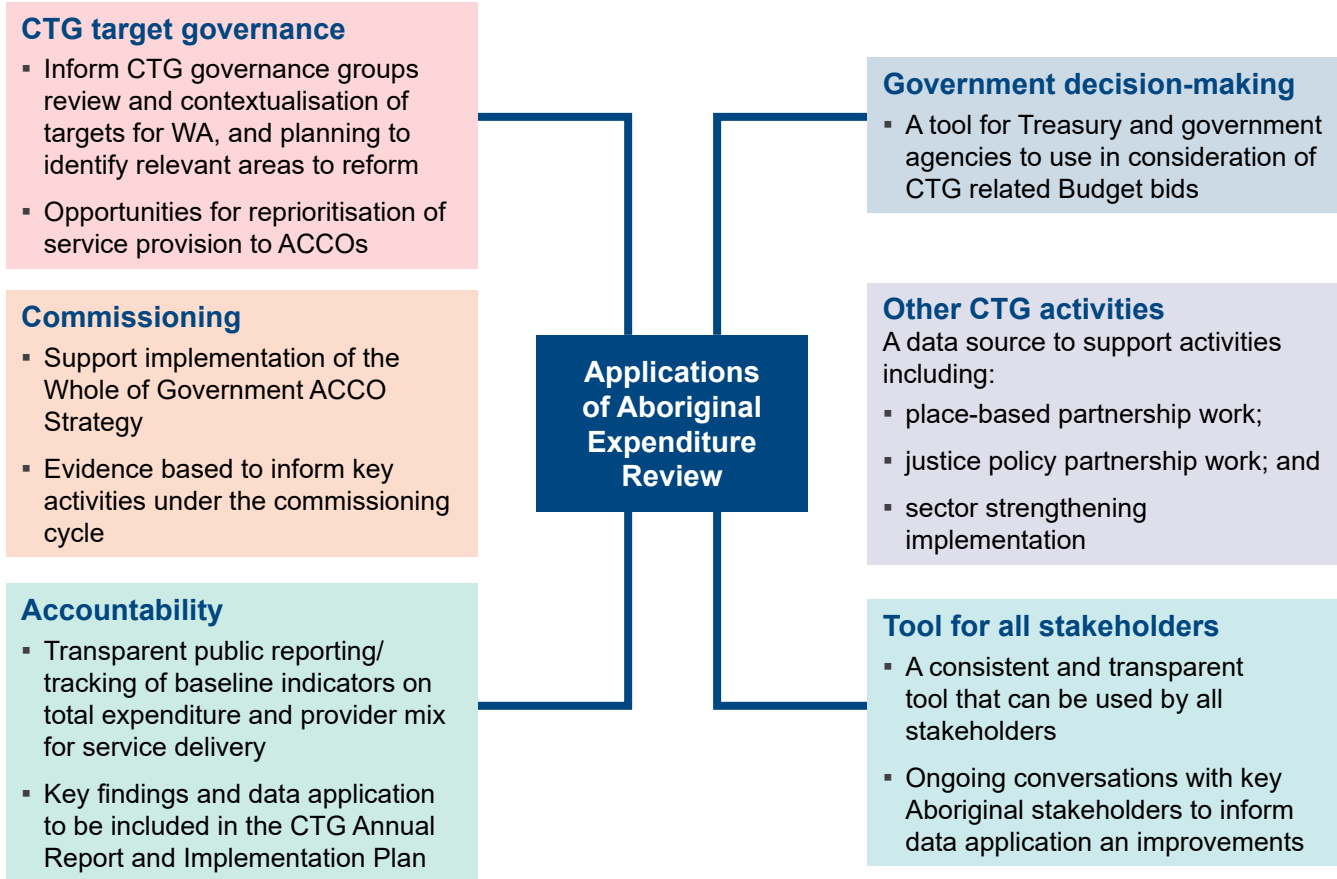
Australia's biggest native title settlement, worth \$1.3 billion for Noongar people. The settlement incorporates six ILUA's covering 200,000 square kilometers of land.



How will the AER be used in WA

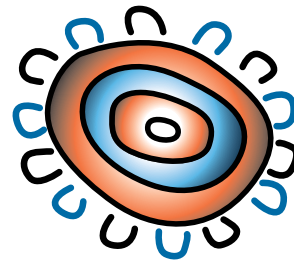
- Annual collection and reporting of AER data will develop a comparable and transparent resource over time to monitor the Western Australian Government’s ongoing commitment to meet CTG over the life of the National Agreement.
- In addition to being an accountability mechanism, the AER will provide an evidence base to inform ongoing planning and implementation of CTG reforms in Western Australia and promote greater efficiency and collaboration across government to deliver outcomes with, and for, Aboriginal people and communities.
- The AER will be a tool to inform a range of activities from the Government’s decision-making process, in particular the annual State Budget, to a resource for Aboriginal stakeholders.
- The AER will provide a common language for Aboriginal stakeholders and government agencies on where Western Australia’s Budget is supporting Aboriginal people.
- CTG governance groups, in collaboration with Aboriginal stakeholders, will consider AER data to identify opportunities for ACCO reprioritisation, with all application from AER to be reported in Western Australia’s CTG Implementation Plan and Annual Report updates.

Figure 19: Applications of the AER



Future Reporting

- To support the AER being an ongoing (annual) and sustained input for CTG reforms, improvements to the data collection are needed to strengthen the usability of the AER tool.
- Over the next 12 months, Treasury will work with government agencies and key Aboriginal stakeholders to refine the data collection tool and how it should be reported and applied.
- An initial focus for the next AER will be on:
 - improved granularity of expenditure data across service provider type and location;
 - improved collection and reporting of general expenditure;
 - connection of AER financial data with other contract level or commissioning data sources such as Aboriginal procurement data and agency commissioning plans under the State Commissioning Strategy;
 - opportunities for linkage of financial and non-financial data (e.g. outcomes data; evaluation data); and
 - complementary dataset from external sources including the Commonwealth and local governments.
- The next AER report will be developed in time to inform the 2024-25 State Budget process.



WA Treasury staff members Keisha Dawson (left), a proud Aboriginal woman of Ingarrda descent who came into the Department through the Public Sector Commission Solid Futures Aboriginal Traineeship, and Tahlia Fenton (right), a proud Gumbaynggirr, Bundjalung woman, and the inaugural graduate under WA Treasury's Aboriginal Graduate Program.

Glossary

Aboriginal Community Controlled Organisation (ACCO):

Priority Reform 2 of the National Agreement on CTG defines an Aboriginal Community Controlled Organisation as an organisation that is:

- incorporated under relevant legislation and not-for-profit;
- controlled and operated by Aboriginal and/or Torres Strait Islander people;
- connected to the community, or communities, in which they deliver the services; and
- governed by a majority Aboriginal and/or Torres Strait Islander governing body.

Aboriginal Organisation:

Term used in the AER report to describe providers that are either Aboriginal businesses and/or ACCOs.

Expenditure

- **actual spend:** the actual monetary amount expended on the program in the financial year that has been audited.
- **budget spend:** a forecast by a government of its expenditures for a specific period of time.

Financial year: a period of twelve months, used for government accounting and reporting, with the year running from 1 July to 30 June.

Classifications of expenditure

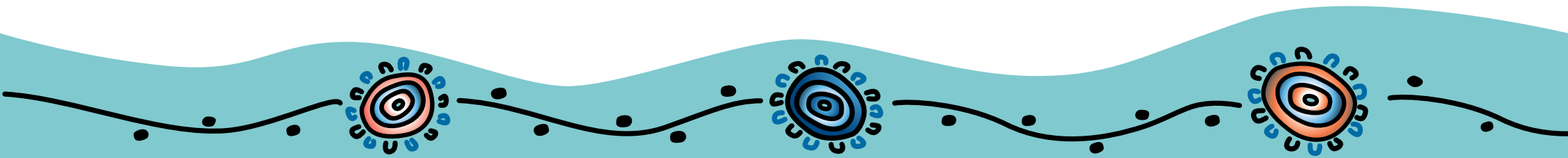
Aboriginal-specific expenditure (direct expenditure) – spending on services and programs, which has a direct benefit to improve social and economic outcomes for Aboriginal people.

Aboriginal-predominant expenditure (direct expenditure) – spending on services and programs that are not explicitly targeted to Aboriginal people, but where a large proportion of service users are, or are expected to be, Aboriginal.

General or citizen expenditure – spending on programs that are delivered to all Western Australian citizens.

State-wide expenditure – includes programs provided across all Western Australian regions, as well as expenditure for central policy or planning development for issues with intended State-wide benefits.

Location-specific expenditure – includes programs delivered in one (or sometimes multiple) specific regions in Western Australia.



Appendix A: Program List

[Appendix A](#) is attached separately and provides a summary of all programs reported in the 2022-23 AER across the financial years 2020-21, 2021-22 and 2022-23.

Appendix B: WA Direct Aboriginal Expenditure by CTG Target

Target	Baseline (WA) – status	Achievability	Expenditure (\$'000)			Program numbers		
			2020-21 Actuals	2021-22 Actuals	2022-23 Budget	2020-21	2021-22	2022-23
Target 1: Close the Gap in life expectancy within a generation, by 2031.	WA gap (2015-17): ▪ 12 years (female) ▪ 13.4 years (male)	Trending towards national average Aspirational	106,489	118,179	132,475	84	95	92
Target 2: By 2031, increase the proportion of Aboriginal and Torres Strait Islander babies with a healthy birth weight to 91%.	WA rate (2019): ▪ 87.7%	No clear trend Highly Achievable	6,890	7,205	12,248	9	13	15
Target 3: By 2025, increase the proportion of Aboriginal and Torres Strait Islander children enrolled in Year Before Full-time Schooling (YBFS) early childhood education to 95%.	WA rate (2021): ▪ 107.2% ^(a)	Trending towards national average Highly Achievable	3,407	1,556	3,041	4	6	6
Target 4: By 2031, increase the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all five domains of the Australian Early Development Census (AEDC) to 55%.	WA rate (2021): ▪ 31.3%	Trending towards national average Highly Aspirational	38	31	6,258	1	1	5
Target 5: By 2031, increase the proportion of Aboriginal and Torres Strait Islander people (age 20-24) attaining year 2 or equivalent qualification to 96%.	WA rate (2016): ▪ 57.4%	Trending towards national average Aspirational	11,398	16,991	14,876	4	6	5
Target 6: By 2031, increase the proportion of Aboriginal and Torres Strait Islander people aged 25-34 years who have completed a tertiary qualification (Certificate III and above) to 70%.	WA rate (2016): ▪ 33.8%	Trending towards national average Highly Aspirational	579	703	707	5	4	3

^(a) Proportion exceeds 100% due to numerator and denominator being derived from difference sources.

Target	Baseline (WA) – status	Achievability	Expenditure (\$'000)			Program numbers		
			2020-21 Actuals	2021-22 Actuals	2022-23 Budget	2020-21	2021-22	2022-23
Target 7: By 2031, increase the proportion of Aboriginal and Torres Strait Islander youth (15-24 years) who are in employment, education or training to 67%.	WA rate (2016): ▪ 51.4%	Trending towards national average Highly Aspirational	78,332	97,981	124,478	18	23	22
Target 8: By 2031, increase the proportion of Aboriginal and Torres Strait Islander people aged 25-64 who are employed to 62%.	WA rate (2016): ▪ 44.7%	No clear trend Highly Aspirational	26,769	29,990	47,117	27	35	29
Target 9: By 2031, increase the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing to 88%.	WA rate (2016): ▪ 75.2%	Trending towards national average Aspirational	36,752	40,413	82,405	12	12	12
Target 10: By 2031, reduce the rate of Aboriginal and Torres Strait Islander adults held in incarceration by at least 15%.	WA rate (2021): ▪ 3449.3 per 100,000 adult population	Trending away from national average Aspirational	55,161	58,148	59,424	23	24	22
Target 11: By 2031, reduce the rate of Aboriginal and Torres Strait Islander young people (10-17 years) in detention by at least 30%.	WA rate (2020-21): ▪ 40.8 per 10,000 young population	Trending towards national average Highly Achievable	12,508	16,789	19,281	28	22	21
Target 12: By 2031, reduce the rate of over-representation of Aboriginal and Torres Strait Islander children (0-17 years old) in out-of-home care by 45%.	WA rate (2021): ▪ 64.7 per 1,000 children	Trending away from national average Highly Aspirational	9,288	10,586	13,002	3	3	4
Target 13: By 2031, the rate of all forms of family violence and abuse against Aboriginal and Torres Strait Islander women and children is reduced at least by 50%, as progress towards zero.	WA rate (2018-19): ▪ 9%	N/A Status is undetermined	9,272	10,406	12,756	13	10	12
Target 14: Significant and sustained reduction in suicide of Aboriginal and Torres Strait Islander people towards zero.	National rate (2020): ▪ 28.2 per 100,000 people	No clear trend Aspirational	12,734	9,977	13,690	9	9	8

Target	Baseline (WA) – status	Achievability	Expenditure (\$'000)			Program numbers		
			2020-21 Actuals	2021-22 Actuals	2022-23 Budget	2020-21	2021-22	2022-23
Outcome/Target 15: People maintain distinctive relationships with land and waters.								
Target 15a: By 2030, a 15% increase in Australia's land mass subject to Aboriginal and Torres Strait Islander people's legal rights or interests.	WA rate (2021): ▪ 1,718,345km ²	Trending towards national average Highly Achievable	36,902	49,574	90,558	24	26	27
Target 15b: By 2030, a 15% increase in areas covered by Aboriginal and Torres Strait Islander people's legal rights or interests in the sea.	WA rate (2021): ▪ 40,145km ²	Trending towards national average Highly Achievable						
Target 16: By 2031, there is a sustained increase in number and strength of Aboriginal and Torres Strait Islander languages being spoken.	National rate (2018-19): ▪ 123 ATSI languages spoken, 14 of these strong (National)	N/A Aspirational	855	1,449	6,411	7	8	10
Target 17: By 2026, Aboriginal and Torres Strait Islander people have equal levels of digital inclusion.	WA rate (2014-15): ▪ 66.0% people 15+ years old accessed internet in the last 12 months	N/A Status is undetermined	63	64	66	1	1	1
TOTAL			407,439	470,042	638,794	272	298	294

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ISSN 2981-8842 (Online)