



AUSTRALIAN CAPITAL TERRITORY

SUBMISSION TO THE COMMONWEALTH GRANTS COMMISSION'S POSITION PAPER 2008/28 OTHER SERVICES

February 2009



VIEWS ON THE COMMISSION'S ASSESSMENT POSITION

INTRODUCTION

The 2010 Review has been run as an iterative process between the Commonwealth Grants Commission (the Commission) and the States and Territories (the States) over the course of the past four years. As part of this process the ACT has provided a number of submissions in response to the Staff and Commission Discussion Papers, incorporating subsequent multilateral and bilateral discussions with Commission staff and other States. These submissions outlined the ACT's position as to the validity of the conceptual case behind a number of assessments and the proposed assessment methodologies.

It is noted that in some instances the position adopted by the Commissioners, as detailed in the latest Commission Position Papers, is at odds with that of the ACT. In the interests of brevity, the ACT has not sought to reiterate the entirety of its previously stated position unless new data or new thinking has been applied. In this light, a lack of objection does not imply support where such support has not been previously stated. As such, this submission encompasses the ACT's views solely on major issues.

CROSS-BORDER CULTURE AND RECREATION FACTOR

In the 2004 Review, the Commission recognised that cross-border use of the ACT's culture and recreational services imposed a material cost on the Territory and made a cross-border adjustment accordingly. This Position paper is silent on this factor and it is not covered in the overarching Commission paper on cross border methodologies.

From an ACT perspective, circumstances have not changed for the 2010 Review. There continues to be considerable use of these services by NSW residents. However, developing a clear and robust data capture methodology for these services is administratively difficult and cumbersome given their micro level of operation:

- Data provided by ACT Library and Information Services indicates that there are currently 6,622 interstate members of ACT Libraries. Although this represents 4 per cent of ACT library memberships, it should be noted that the majority of library services available to the public do not require a user to be a member of the library. These services include free internet access, access to books, cds, videos and access to the ACT Heritage Library.
- Further recreational facilities in the ACT include the many sports grounds and facilities situated around the Capital. These grounds play a fundamental role in supporting local sporting competitions, many of which have interstate teams competing in them. Interstate participants may compete by joining existing ACT teams or entering interstate-based teams into a league or competition.

Consequently, the ACT requests the Commission to consider a cross border claim and apply the Commission's general estimation methodology for this category.

ASSESSING NATURAL DISASTER RELIEF EXPENSES ACTUAL PER CAPITA

The ACT continues to have concerns with regards to the extent of policy influence impacting expenditure on natural disaster relief. However, the ACT also notes the Commission's position that *'differences are at the margin and that States follow broadly similar policies in this area'*.

The ACT would be interested in understanding further how this marginal difference observation was derived.

ASSESSING NATIONAL PARKS EXPENSES EQUAL PER CAPITA

This is one particular area of the 2010 deliberations to date that troubles the ACT. The rationale of “*On reliability grounds, the Commission intends to assess national parks expenses equal per capita*” seems an over-simplification and raises doubt as to whether all avenues have been appropriately investigated.

The ACT is convinced, as was the 2004 Commission, that there is significant non-policy factors driving expenditure on national parks – i.e. a clear relationship between the contiguous population and the use and cost of providing national parks and wildlife services exists - and has presented a range of views and supporting data to the 2010 Review:

- Various key broad indicator drivers that reflect this include the number of visitors to each State - which is a driver national parks use and/or the urban population (UCLs over 50,000) - which picks up the extent to which urban contiguous populations affect national parks costs. These could be used and discounted by 50 per cent, given that it is acknowledged that there are other drivers of costs that are too complex to assess, such as the biodiversity of flora and fauna.
- The use of domestic visitors (State domestic tourism nights) represents a non-policy influenced measure based on reliable data provided by a third party, in this case, Tourism Research Australia. While actual visitor numbers to national parks may better reflect the use of national parks, tourism numbers represent a viable, policy neutral indicator capturing use at a broad level. State tourism data as a broad indicator of national park usage is rational on conceptual grounds as 24 per cent of total domestic visitor nights were motivated by a visit to a nature based attraction such as a National park.
- The use of the urban population (UCLs over 50,000) picks up the extensive urbanisation impacts felt by the ACT and the associated costs that they place on the management of the national parks system result from the relatively large population located closely adjacent to the ACT’s national parks (accessibility) and thus high levels of use. This approach is reasonable as the transport assessment is partly premised on a similar broad indicator approach (UCLs over 20,000).

This position warrants further investigation. Deriving an appropriate measure of need is difficult; however, the ACT remains confident that there is sufficient scope to develop such a measure.

Reverting to the 2004 Review methodology to assess expenditure on national parks, discounted by 50 per cent to overcome data concerns is considered the minimum response.

ASSESSING LOCATION AND SCALE DISABILITIES

The ACT supports the Commission assessing location and scale disabilities for each element in this assessment category, with the exception of GST administration costs.

ASSESSING A NATIONAL CAPITAL ALLOWANCE

The ACT supports the Commission assessing a national capital allowance to recognise the additional cost pressures placed on the Territory because of its role as the Nation's Capital. Further information will be provided in the ACT's submission to the Commission's Position Paper 2008/13 *Disabilities mainly affecting the ACT*.

Federal Financial Relations Unit
Department of Treasury
Australian Capital Territory Government