



Queensland Treasury Response to Commonwealth Grants Commission Draft Report Attachment 23

SERVICE DELIVERY SCALE

Queensland did not prepare a separate response on Service Delivery Scale. This paper simply draws together Queensland's comments on Service Delivery Scale from various other responses.

September 2009

Justice Services

Service Delivery Scale

The Commission has proposed assessing service delivery scale for police services, which Queensland considers appropriate. There is strong evidence that remote locations require increased police staff per capita regardless of rates of crime and the Indigenous status of the population. The cost of maintaining these stations is high relative to the population they support, as was demonstrated on the Commission's visit to Queensland in 2008.

Welfare and Housing

Service delivery scale

Queensland supports the Commission's proposal to apply a general service delivery scale factor, based on an average of the schools and police factors, in the welfare and housing assessment. Queensland has consistently argued that service delivery scale is an issue across all government services and the inclusion of this general factor will account for its impacts on welfare and housing services.

Post-Secondary Education

Service Delivery Scale

The Commission indicated in its Draft Report that it considered Service Delivery Scale was captured in the 'additional' costs associated with remote students provided by states². Queensland notes that the service delivery scale disability is not restricted to remote locations, and as such, a remoteness cost weight cannot address any service delivery scale costs faced in non-remote locations.

Queensland acknowledges an element of service delivery costs may be included in state provided data on additional costs due to remoteness. The state-provided data would not capture post-secondary education institutions in small population centres in non-remote areas. However, without evidence of the location of post secondary education institutions in small non-remote population centres, the Commission cannot adjust the location factors used in this assessment category.

Schools Education

Service Delivery Scale

Queensland supports the application of a Service Delivery Scale (SDS) factor as it reflects the diseconomies of scale associated with the provision of small schools in sparsely populated areas. This is because a SDS factor reflects the higher costs per unit of service in small schools compared with large schools, principally arising from higher staff to student ratios; and the effects of differences in the pattern of population settlement on the numbers of small schools.