



Response to 2010 Review Draft Report

“National Capital Allowances & Cross Border Costs”

Department of Treasury and Finance

September 2009

Tasmanian Position

1. Tasmania accepts the conceptual case for making a cross border assessment where costs associated with the net cross border flow of services is material and the providing state is not reimbursed by the home state.
2. Cross border effects should be validated on a service-by-service basis and, where possible, based on actual data.
3. Tasmania accepts the assessment methodology and data used by the Commission in its Draft Report assessment of Cross Border Effects.
4. Tasmania similarly has no issue with National Capital Allowances being assessed in respect of police services, roads and the additional costs arising from the National Capital Plan.
5. We appreciate the work undertaken by the Commission in testing the conceptual validation of a number of the allowances traditionally recognised, having regard to simplification, reliability and materiality. This has resulted in four allowances being discontinued (amounting to \$2.3 million).
6. Tasmania provided detailed comments and evidence to support particular arguments in its response the CGC Staff Discussion Paper 2007/01-S. Those comments and evidence are not repeated here, but the Commission should refer to Tasmania's response to the CGC Staff Discussion Paper where it is necessary to review Tasmania's position on significant assessment issues.