



Queensland Treasury Response to Commonwealth Grants Commission Draft Report Attachment 15

Justice Services

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SUMMARY OF QUEENSLAND'S POSITION

Queensland supports the assessment of police, courts and corrective services proposed for the Justice Services category in the 2010 Review Draft Report. The proposed methodology to weight state populations to address high use groups is simple, robust and represents the most suitable method of assessment.

Queensland supports the Commission's decision to assess 50 per cent of the police service expenses equal per capita (EPC) and the remaining 50 per cent differentially to reflect the higher service use by young male, Indigenous and low Socio-Economic Status (SES) populations.

Queensland believes the Commission's move from a 50 per cent discount of police custody data to a 25 per cent discount improves the reliability of the assessment; however, Queensland is not convinced that any discount is necessary.

Queensland supports the inclusion of a regional location factor in the Justice Services category as it reflects the extra costs of service provision in remote and very remote locations. Queensland has provided data to demonstrate these higher costs in the Justice Services category.

Queensland supports the inclusion of a service delivery scale disability, as it is clear that there is a strong conceptual case and supporting evidence that it has a material effect on police expenses.

The Commission's conclusion that both the urban complexity and cultural and linguistically diverse background disabilities do not increase costs in the Justice Services category is appropriate based on the evidence and Queensland supports their exclusion from the assessment category.

Key Issues

The methodology for the assessment of the Justice Services category as proposed in the Draft Report should be finalised, with the exception of:

- No discount of police custody data.

PROPOSED METHODOLOGY

The proposed Justice Services assessment combines the Police, Administration of Justice and Corrective Services categories from the 2004 Review. The Commission proposal assesses the Justice Services category with two components:

- Service Expenses; and
- Other Expenses.

Service Expenses Component

The Service expenses component includes four disabilities:

- Socio-demographic composition, addresses the influence of sections of the population on the use and cost of providing justice services, primarily Indigeneity, young males and population from low SES areas;

- Cross-border, reflects the use of services between New South Wales and the Australian Capital Territory;
- Service delivery scale, addresses the additional costs due to providing services in small isolated communities; and
- Location, are intended to reflect differences in wage and non wage cost between states and the cost of providing services to different regions within each state.

Other Expenses

The rest of the category comprises:

- Administrative scale
- National capital
- Native title and land rights

ASSESSMENT APPROACH

Queensland supports the Commission's proposal to assess expenditure related to police services, courts and corrective services in a single Justice Services category. The structure of the category; a service expenses component comprising socio-demographic composition, cross border, service delivery scale and location; and an 'other expenses' component including administrative scale, national capital and native title and land rights is appropriate.

Socio-demographic composition component

Queensland considers that the socio-demographic component of the assessment is appropriate. There is a strong conceptual case and supporting data of the higher use of Justice Services by males 15 to 34 years, Indigenous population and population from low socio-economic status (SES) backgrounds.

In the absence of comparable and reliable data, it is difficult to determine the proportion of police services influenced by these groups and expenses driven by the broader population, and a 50 per cent split between an EPC and differential assessment is a suitable compromise.

A differential assessment of criminal courts and corrective services is appropriate, as those expenses correlate with the amount of criminal activity in the state. States with a higher proportion of the population with a higher propensity to commit crime will have higher expenses for criminal courts and corrective services.

Low SES background

Queensland is supportive of the Commission's inclusion of a low SES background factor with Socio-Economic Index for Areas (SEIFA) as a proxy. The Commission has observed evidence that indicates a significant increase in offences per capita by people who live in areas of lower SES, even with Indigeneity influences removed.

Location

The application of a regional location factor for the entire Justice Services category is appropriate, as is the application of the Police factor to the entire Justice Services category, given the similar nature of the drivers for service use.

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.

Urban Complexity

With the absence of a conceptual case or reliable data to support an urban complexity assessment, Queensland supports the Commission's decision not to assess an urban complexity disability in the Justice Services category.

Cultural and Linguistically Diverse Populations

Without evidence of a material influence from cultural and linguistically diverse (CALD) populations on Justice Services should not be included in the Justice Services assessment. Smaller CALD communities spread across a dispersed area tend to lead to higher service costs than large communities in concentrated areas. In addition, adjustments to CALD data would be required to exclude factors already assessed in the Justice Services category such as age and gender, increasing the complexity of the assessment.

Police Custody Data

Some states have expressed concern over the suitability of police custody data from the Australian Institute of Criminology *National Police Custody Survey*, and as a result, the data has been discounted 25 per cent. Queensland believes the data are the most appropriate data available for use in assessing police expenses. While Queensland acknowledges that the data are not perfect, there is no evidence to suggest this data overstates the influence of the high use groups on Justice Services. Queensland considers there is not sufficient justification for discounting this data 25 per cent and the Commission should not apply any discount to the AIC data.

SEIFA Data

Queensland supports the use of SEIFA data to assess a low SES factor but maintains that it would be appropriate to adjust SEIFA data to remove irrelevant variables. An adjustment may involve removing variables that do not influence the propensity to commit crime, such as broadband internet access and residents aged less than 70 with long-term medical disabilities. Queensland acknowledges that this may not be a priority for the Commission given the timeframe for the final report, but suggests that it may be a subject for future work.