

**2020 REVIEW**

**JUSTICE**

**STAFF DRAFT ASSESSMENT PAPER
CGC 2018-01/16-S**

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## Justice

### 2015 REVIEW APPROACH

#### Services included in this category

* 1. The Justice category covers State spending on police, civil and criminal courts, other legal services and corrective services.
	2. It covers most of the Government Finance Statistics (GFS) Government Purpose Classification (GPC) 2 digit group *Public order and safety*, with the exception of expenses relating to fire protection and state emergency services (totalling about $3.8 billion in 2016‑17). These services are assessed in the Other expenses category.
	3. User charges associated with justice services are assessed equal per capita (EPC) in the Other revenue category.

#### Category and component expenses

* 1. States provide justice services including police, legal services including courts, and prisons. States collectively spent $19 billion on justice services in 2016-17, with police services accounting for a little over half that total and the remainder relatively evenly split between courts and prisons. This is shown in Table 1.

Table 1 Justice expenses by component, 2016-17

|  |  |  |  |
| --- | --- | --- | --- |
|   | Amount | Share | Growth in spending 2013-14 to 2016-17 |
|  | $m | % | % |
| Police |  10 323 |  53 |  15 |
| Courts |  4 443 |  23 |  18 |
| Prisons |  4 540 |  24 |  23 |
| Total |  19 306 |  100 |  17 |

Source: Commission Calculations.

#### Data sources and assessment methods

* 1. The data sources and assessment methods used in the Justice category are summarised in Table 2, with more detail provided below.

Table 2 Justice socio-demographic data sources, Update 2018

|  |  |  |  |
| --- | --- | --- | --- |
|   | Data used | Data provider | Most recent data |
| Police |  |  |  |
| *SES* | Offender's postcode by Indigenous status (6 States) | States | 2012-13 |
| *Indigenous Status* | Offender's postcode by Indigenous status (6 States) | States | 2012-13 |
| *Age* | Age of persons taken into police custody | AIC | 2007 |
| Courts |  |  |  |
| *SES* | Suburb/postcode of adjudicated defendant by Indigenous status and age (NSW, QLD, SA & NT only) | States | 2012-13 |
| *Indigenous Status* | Suburb/postcode of adjudicated defendant by Indigenous status and age (NSW, QLD, SA & NT only) | States | 2012-13 |
| *Age* | Criminal Courts, Australia, Defendants finalised by sex and age | ABS | 2015-16 |
| Adult Prisoners |  |  |  |
| *SES* | Same as SES for courts data | States | 2012-13 |
| *Indigenous Status* | Prisoners in Australia, Indigenous status by sex and age | ABS | 2016-17 |
| *Age* | Prisoners in Australia, Indigenous status by sex and age | ABS | 2016-17 |
| Youth prisoners |   |   |   |
| *SES* | Same as SES for courts data | States | 2012-13 |
| *Indigenous Status* | Young people in detention by sex and Indigenous status | AIHW | 2015-16 |
| *Age* | Young people in detention by sex and Indigenous status | AIHW | 2015-16 |

Note: SES is socio‑economic status.

Source: Commission decisions.

##### Police assessment

* 1. The current assessment divides police service expenses between ‘community policing’ and ‘specialised policing’. This split recognises that some police services are provided to the general community while ‘demand’ for other services takes into account particular population groups more likely to commit crime. Using its judgment, the Commission has assumed that 50% of Police expenses are for community policing, and 50% for specialised policing[[1]](#footnote-1).
	2. The socio-demographic composition (SDC) disability applies to specialised policing and recognises that police spend more time and resources on some population groups than others. The attributes used to differentiate the population are:
* age (people aged 15-24, 25-44, 45-64 with those aged 0-14 and 65 or older assumed to have negligible impact on specialised policing considering their much lower propensity to engage in criminal activity)
* Indigeneity
* socio-economic status (SES), measured using the Indigenous Relative Socio Economic Outcomes (IRSEO) index for the Indigenous population and the Non-Indigenous Socio-Economic Index for Areas (NISEIFA) for the non-Indigenous population.
	1. The extent to which different age groups are the subject of police services is measured using a 2007 national survey of people arrested and taken into custody by police. The effect of Indigenous status and location is measured using 2010-11 to 2012-13 State-provided data.
	2. Community policing is delivered for all residents, not specifically targeted at law-breaking demographics. The use is therefore assessed equal per capita.
	3. Wage costs, regional costs and service delivery scale factors are taken into account when assessing police expenses. Regional costs are measured using police specific data.
	4. A National capital factor is taken into account for the ACT recognising the higher than average wages paid to the Australian Federal Police, and noting that this expense is beyond the control of the ACT government.
	5. The results of this assessment are shown in Table 3.

Table 3 Assessed Police expenses, 2016-17

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total |
| $m | 3 197 | 2 409 | 2 161 | 1 180 | 724 | 228 | 159 | 266 | 10 323 |
| $pc | 410 | 386 | 443 | 459 | 422 | 438 | 391 | 1 084 | 423 |

Source: Commission calculations.

##### Courts assessment

* 1. Courts-assessed spending is divided into a 40:60 split between civil and criminal courts. This is based on the split published in the Productivity Commission’s Report on Government Services (RoGS).
	2. Civil courts are assessed on an equal per capita (EPC) basis in the absence of data to indicate differential use rates by different groups.
	3. The criminal courts assessment uses the same demographic groups as used in the police assessment:
* the age profile is taken from ABS defendants data
* the Indigenous and SES profile is taken from 2010-11 to 2012-13 data provided by four States.
	1. Wage costs are taken into account when assessing court expenses.
	2. An adjustment is made for the diseconomies of small scale associated with providing court services in small isolated communities. This disability is referred to as ‘service delivery scale’ and has been applied to 50% of court expenses to reflect that it applies to magistrates’ courts, but not to the higher courts which are located in the major cities and regional centres.
	3. A regional cost disability is applied to court expenses based on the regional cost gradient of police, discounted by 25% reflecting uncertainty about the appropriateness of extrapolating from police data to courts.

Table 4 Assessed Court expenses, 2016-17

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total |
| $m | 1 378 | 1 030 | 931 | 508 | 316 | 98 | 63 | 119 | 4 443 |
| $pc |  177 |  165 |  191 |  198 |  184 |  189 |  154 |  487 |  182 |

Source: Commission calculations.

##### Prisons assessment

* 1. Corrective services assessed spending focuses solely on the provision of prison services because they make up the bulk of expenses within this component.
	2. Use of prison services is considered to be influenced by different socio-economic and demographic populations. Use by age and Indigeneity is measured using ABS (for adult prisoners) and Australian Institute of Health and Welfare (AIHW) (for Juvenile prisoners) data. The effect of socio-economic status is taken from the measurement in the courts assessment.
	3. The differential effect of wage costs across States is taken into account in the assessment. As prisons tend to be located throughout a State, the regional costs disability is assessed. It is based on the regional cost gradient of police, discounted by 25% reflecting uncertainty about the appropriateness of extrapolating from police to prisons.

Table 5 Assessed Prison expenses, 2016-17

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total |
| $m | 1 369 | 905 | 1 005 | 559 | 313 | 102 | 55 | 232 | 4 540 |
| $pc | 176 | 145 | 206 | 218 | 182 | 197 | 135 | 945 | 186 |

Source: Commission calculations.

##### Investment and depreciation

* 1. Investment in and depreciation of justice infrastructure is assessed using the recurrent category socio-demographic disabilities, with adjustments for service delivery scale. The wages and regional costs factors are not included in the calculation of capital needs.

##### GST distribution

* 1. Table 6 shows the redistribution of GST implied from the 2018 Update. The Justice assessment redistributes $976 million, primarily to States with a high proportion of the Indigenous population, especially the more disadvantaged Indigenous population, and States with remote populations.

Table 6 Redistribution of GST in Justice assessment, 2018 Update

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Redist |
|  | $m | $m | $m | $m | $m | $m | $m | $m | $m |
| Police | -111 | -266 | 104 | 111 | -8 | 9 | -11 | 172 | 397 |
| Courts | -46 | -121 | 47 | 48 | 1 | 4 | -13 | 80 | 180 |
| Prisons | -86 | -283 | 106 | 93 | -9 | 6 | -23 | 196 | 401 |
| Total Justice | -243 | -670 | 257 | 252 | -17 | 19 | -47 | 448 | 977 |
|  | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc |
| Police | -14 | -41 | 21 | 42 | -5 | 17 | -27 | 700 | 16 |
| Courts | -6 | -19 | 9 | 18 | 1 | 7 | -31 | 324 | 7 |
| Prisons | -11 | -44 | 21 | 35 | -5 | 12 | -54 | 797 | 16 |
| Total Justice | -30 | -103 | 51 | 96 | -10 | 36 | -112 | 1 820 | 39 |

Source: Commission calculations.

### ISSUES AND ANALYSIS

#### Police

* 1. The current assessment divides police expenses into those targeting criminal activity, and those targeting community policing. This division was set in the 2010 Review, when the Commission said “In these circumstances we have to use judgment … Until more definitive data become available on police resourcing, we have decided that we will assess half of police expenses on the basis of State population and half on the basis of population adjusted for factors linked to the cost of crime.”
	2. Western Australia and the Northern Territory have expressed concerns with the Commission’s judgment, claiming that significantly more than 50% of police resources are dedicated to crime.
	3. States have also raised concerns with the use of dated data, as the assessment uses data from a 2007 survey (see Table 2). These survey data are only used to estimate use rates for different age groups. Indigeneity and SES are taken from more recent State data. Staff are concerned that, by the 2020 Review, the age data will be sufficiently dated that it casts doubt on the continuing reliability of merging the age and Indigenous and SES datasets. To better identify the effect of age on crime, staff consider the Commission requires data where age is cross-classified with other socio-demographic information.
	4. There have also been concerns raised that offender numbers are not necessarily a good guide to resource use, as different types of offences require different levels of investigation and other resources. Additionally, offender rates do not account for other criminal-related services police provide that do not result in a person being taken into custody.
	5. While staff consider the current assessment to be relatively reliable, in this Review we aim to find a revised method which reduces any potential biases introduced by the above issues to the current approach.

##### Assessed number of offences

* 1. The number of offences for each State is assessed based on the offender’s Indigeneity, age, and the remoteness and socio-economic status based on their residential address.
	2. Indigenous offence rates are nine times that of the non-Indigenous population and are a significant factor in estimating offence numbers[[2]](#footnote-2). Differences in offence rates by socio-economic status are also very significant, as shown in Figure 1.

Figure 1 Non-Indigenous offence rate, 2016-17



Note: Victoria and Queensland data have not yet been analysed.

 Irregular results for ACT and NT partially relate to the small population base of non-Indigenous persons in disadvantaged areas.

Source: Commission calculation using State provided data.

* 1. These data are based on place of residence of persons who committed the offence, not the place of the offence, as the socio-economic status of the offender relates to where the person lives.
	2. Using these data it is possible to calculate assessed offences in each State. The exact specifications of this model have not yet been determined.

##### Costs per offence

* 1. Police costs data were requested from every State at a station administrative level. Centralised costs, such as those for regions, districts or State-wide, were allocated to the finest level of cost unit for each State in proportion to expenses or staff that were available at that level.
	2. States also provided data on offences committed in each of these police administrative units. From these a cost per offence was calculated.
	3. The definition of offence used in both assessing the number of offences and assessing the cost per offence are the same. However, the attributes of that offence that are analysed differ. In the assessed number of offences, staff use the remoteness and SES status of the area the offender lived. In the cost per offence, we use the attributes of the area where the offence actually occurred.
	4. The variation in cost per offence across New South Wales is shown in Figure 2. A number of features are evident from this map.
* Costs per offence in remote areas are generally higher than in more accessible areas.
* Costs in affluent suburbs of Sydney are very high, presumably reflecting a level of community policing but relatively low levels of crime.

Figure 2 Cost per offence, New South Wales, 2016-17



Source: Commission calculation using State provided data.

* 1. Each of these administrative units were reviewed for remoteness, Indigeneity, socio-economic status and population size to determine if any of these characteristics had a bearing on cost per offence between the different administrative units. The socio-demographic attributes of the area, such as Indigeneity, are based on the resident population.
	2. Data from New South Wales, Western Australia and the Northern Territory, show three significant relationships:
* the higher the proportion of Indigenous persons in an area the lower the cost per offence
* the cost per offence increases with remoteness
* administrative areas with large populations have a lower cost per offence than those with small populations.
	1. The data from these States suggest that, subject to variations due to remoteness and population size, the cost per Indigenous offence is only half the cost per non-Indigenous offence. That is, while the Indigenous offence rate is 9 times higher than the non-Indigenous offence rate, total police spending per capita for the Indigenous population is only around 4.5 times that of the non-Indigenous population. However, data from other States will need to be incorporated before the relationship can be fully determined.
	2. In addition to developing an Indigenous cost weight, staff consider that a regional cost assessment can be developed from the data on increasing costs with remoteness, and a service delivery scale assessment can be developed from the relationship with population size.

##### Proposed approach

* 1. The assessed number of offences makes possible an SDC based calculation of the relative level of services provided in each State. This use-based assessment can then be adjusted using the cost per offence to allow for different costs in different regional areas and for Indigenous and non-Indigenous offenders.
	2. The advantage of this approach is that it removes the reliance on a judgment-based estimate of the split between community and specialised policing as the idea of community policing is inherently captured within the model.
	3. The low cost per offence in areas with large Indigenous populations is likely to at least partially reflect that community policing is a smaller proportion of the overall policing task in such areas.
	4. There is some evidence that certain types of crime, such as domestic violence, are more prevalent in certain types of areas and those crimes are more expensive to police. The proposed approach has the potential to capture such differences, although this influence cannot be separately identified.
	5. It is not yet clear that the proposed approach can result in a reliable assessment, as staff have not yet fully analysed State data.
	6. In the event that the proposed approach cannot result in a reliable assessment, staff expect to recommend the Commission retain the current approach, possibly with some relatively minor modifications such as removing the 2007 custody survey, and obtaining all socio-demographic data from a single source. Remoteness may also be included as a socio-demographic variable.

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| Staff propose to recommend the Commission:* further develop a model incorporating socio-demographic drivers of offences and geographic based model of cost per offence.
 |

#### Courts and legal services

##### Elements within the legal cluster

* 1. While GFS assigns $4.1 billion of spending to Law Courts and Legal services, RoGS estimates that only $1.5 billion is spent on criminal and civil courts. The current approach uses data from RoGS to estimate that 60% of the $1.5 billion court expenses are attributable to criminal courts and extrapolates this to the $4.1 billion spending which as well as criminal and civil courts, also includes legal aid, public prosecution, crown solicitors and defenders, law reform commissions, anti-corruption agencies, public trustees, registrars, tribunals and licensing authorities.
	2. Prosecution and legal aid work primarily relates to the work of criminal courts. Therefore it is reasonable that this portion of legal costs be assessed on a disability basis in a similar manner to criminal courts. GFS data only allows for separate identification of prosecution and legal aid expenses where these are provided by separate agencies.
	3. In 2016-17, direct spending on criminal courts represented 23% of total State spending on legal services. GFS data are available on spending on agencies which provide support to the criminal court system. Together these represent about 50% of total legal service expenses, as shown in Table 7. However, not all States provide legal aid and public prosecution services through an independent agency (which are those expenses captured in the GFS). Assuming those States that do not provide independent agencies spend a similar amount on these functions as those that do, legal aid would increase to 20% of legal services expenses, and directors of public prosecutions to 9%. Together, staff estimate that criminal courts and supporting services, including those police department expenses separately identified as legal services expenses, represent about 57% of total law court and legal services expenses.[[3]](#footnote-3) Staff believe that this suggests that the differential assessment/EPC proportions (60:40 respectively) need not change from those applied in the 2015 Review.
	4. Staff propose the ‘Courts component’ be renamed the ‘Legal Services component’, to better describe the range of services provided.

Table 7 State spending on criminal related legal services, 2016-17

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total | Total |
|  | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc | % |
| Criminal courts (a) |  31 |  36 |  34 |  51 |  44 |  34 |  44 |  123 |  37 |  23 |
| Legal aid |  35 |  30 |  28 |  31 |  0 |  0 |  34 |  58 |  29 |  18 |
| Director of public prosecutions |  15 |  0 |  0 |  16 |  0 |  13 |  0 |  0 |  7 |  4 |
| Police |  1 |  0 |  0 |  55 |  0 |  0 |  0 |  176 |  8 |  5 |
| Total criminal related |  82 |  66 |  63 |  153 |  44 |  47 |  78 |  357 |  81 |  50 |
| Total legal services (b) |  140 |  96 |  152 |  288 |  266 |  172 |  224 |  603 |  162 |  100 |

(a) Criminal court expenses sourced from RoGS, all other data taken from ABS, GFS.

(b) Excluded legal services paid by central authorities, such as superannuation authority, as these are thought to proportionally affect both criminal and non-criminal related spending.

Source: Productivity Commission, Report on Government Services, 2018.

 State provided data.

##### Civil Court use drivers

* 1. Staff have observed substantial differences between States in the number of finalisations per 100,000 people in civil courts. We currently have no information on whether States have disabilities that may drive these differences or whether policy choices are responsible.
	2. While it would be desirable to know if disabilities exist, there are currently no data to support such research, as information on socio-demographic characteristics of civil court litigants and defenders are not collected. Accordingly staff intend to recommend a continuance of an EPC assessment for civil courts.
	3. Staff propose to recommend the remaining expenditure (including Attorneys-General’s offices, birth, deaths and marriage registrars, law reform commissions and tribunals) should also be assessed on an EPC basis. For simplicity, these expenses could be grouped with the civil courts expenses and assessed collectively EPC. Together these expenses represent about 40% of legal services expenses.

##### SDC Assessment of Criminal Courts

* 1. Staff propose to retain the SDC assessment of expenses for criminal courts, and that the same disabilities should also apply to the public prosecution and legal aid elements of the legal cluster. The relevant characteristics include Indigenous status, SES and age. While annual age and Indigeneity data are available from the ABS, all three variables are available from States. Staff consider the complexity and assumptions involved in partially updating this assessment are not warranted, and propose only using rates derived from State data that match a Census year. These rates, derived on a five-yearly basis, would be incorporated annually to new population data. At the time of the 2021 Census, which may result in significant changes to Indigenous identification patterns, staff would propose a new data request be sent to States.
	2. While Indigenous people are defendants in court at a higher rate than non‑Indigenous people, this difference is greater in magistrate’s courts than in higher courts. However, the cost per finalisation in magistrates’ courts is one-twentieth that of the higher courts. By examining the SDC characteristics of defendants who use the various courts, in conjunction with the costs of those courts, it is possible to produce a cost weight for different socio-demographic groups across all criminal courts. Initial results, based on four States with available information, found that a matter involving an Indigenous person in the criminal court system costs 15% less than one involving a non-Indigenous defendant.
	3. However, for traffic and related offences, there is little available data on the Indigenous status of the defendants. These offences make up nearly 40% of cases in the magistrate’s court.
	4. Many traffic offences do not result in a court appearance, court appearances are likely to relate to:
* certain types of offence,
* refusal to pay fines
* arguing outcomes, for example to not to suspend their license.
	1. Whether these defendants are disproportionately Indigenous or not has a significant effect on the overall relative cost of Indigenous and non-Indigenous defendants. If the assessment were to impute Indigenous status using the assumption that the Indigenous proportion of traffic and related magistrate’s court defendants is the same as all other offences, Indigenous defendants for all courts would cost 10% less than non-Indigenous defendants on average. However, if Indigenous persons were in court for these offences in the same proportion as their share of the total population, their average cost would be 20% higher than their non-Indigenous counterparts. Given the uncertainty with the available data, staff intend recommending the Commission not introduce a cost-weight measure into the courts assessment.
	2. Indigenous status not being collected in some States for traffic related court appearances has implications for making a comprehensive SDC assessment of courts. According to ABS data, available for four States, the rate of Indigenous defendants is 7 times that of non-Indigenous defendants. However, this rate applies to only 60% of defendants. It is unknown if Indigenous persons are similarly over-represented for the remaining offences.
	3. Updated defendants data from the States are required to update SES, age and Indigeneity profiles. In requesting the data, staff will ask for a split between traffic and other offences. Staff will assess any available data on Indigenous status of traffic and offence defendants before determining the most appropriate treatment of these offences.

|  |
| --- |
| Staff propose to recommend the Commission:* divide legal service expenses into those associated with criminal matters and all other legal services
* assess criminal legal matters using use rates based upon State data on the Indigenous status, SES and age characteristics of criminal court defendants
* not apply any cost‑weights to population groups.
 |

#### Prisons

* 1. Staff consider the prison assessment captures the appropriate range of drivers. While it does not take into account non-custodial corrective services, staff regard this as reasonable as prisons make up 85%[[4]](#footnote-4) of corrective services net operating expenditure, and the socio-demographic profile of custodial and non-custodial offenders are unlikely to be materially different.
	2. Data for the age and Indigeneity drivers are available annually and staff regard these data as high quality.
	3. Data for SES drivers is less readily available. Staff propose to continue the 2015 approach of using the SES profile of criminal defendants adjudicated as a proxy for prison data. While this is not ideal, only available for four States, and can only be updated infrequently (requiring a data request to States), it remains the best measure of SES drivers available.
	4. The courts assessment comes from a single integrated data source, State data. In the interests of simplicity, staff consider it unnecessary to update this annually and make it a composite dataset. However for prisons, the SES is sourced from courts, while age and Indigenous status are sourced from ABS and AIHW data. Therefore the prisons assessment is based on a composite dataset. Updating this annually with new prisons data does not unduly add complexity to the assessment.

|  |
| --- |
| Staff propose to recommend the Commission:* retain the 2015 Review method used to assess Prisons.
 |

#### User charges

* 1. According to GFS figures, States raised $1.6 billion in user charges in the justice sector. As Table 8 shows, two-thirds of this was from the Law courts and legal services component. The court charges are largely related to civil court rather than criminal court cases, and also include significant revenue from other legal services, such as probate and registration systems. Cost recovery services provided by police include policing services at special events; transport escorts; control of traffic for film and television shoots; and a wide variety of information services[[5]](#footnote-5). Staff consider that an EPC assessment is the most appropriate driver of all justice user charges. As such, we propose to continue the 2015 approach of including justice user charges with other revenue.

Table 8 GFS user charges, 2015-16

|  |  |
| --- | --- |
| GPC Name | User charges |
|  | $ m |
| Law courts and legal services |  1 004 |
| Police services |  482 |
| Prisons and corrective services |  122 |
| Total Justice |  1 609 |

Source: State provided data.

#### Other issues considered

* 1. Staff propose to recommend the retention of the wages adjustment, recognising that some States face higher wage pressures than others.
	2. Regional costs and SDS will be retained, although the method of calculation for police services is still being developed, as noted in paragraph 40. Staff propose to continue to extrapolate to courts and prisons as was done in the 2015 Review.
	3. Staff Draft Assessment Paper *CGC 2018-01/25-S, Other disabilities* describes the assessment of a national capital allowance for police services, reflecting the higher salaries paid to Australian Federal Police (AFP) staff than staff of State police forces. Staff propose to retain this assessment and fully incorporate it into the Justice services category assessment.

|  |
| --- |
| Staff propose to recommend the Commission:* apply the wage costs assessment in the Justice category
* retain the 2015 Review method for regional costs and service delivery scale
* assess the influence of the use of AFP officers by the ACT on police expenses.
 |

### Conclusion and way forward

#### Proposed assessment structure

* 1. Staff propose the following assessment structure for this category in the 2020 Review.

Table 9 Proposed Justice category structure

|  |  |  |
| --- | --- | --- |
| Component | Disability | Influence measured by disability |
| 1. Police | SDC | Recognises that Indigenous, low SES and remote populations affect the use and cost of providing police services. |
|  | Wages | Recognises the differences in the cost of labour between States |
|  | Regional costs | Recognises the costs of delivering services can vary between regions. |
|  | Service delivery scale | Recognises the diseconomies of small stations in small isolated communities. |
| 2. Criminal Courts | SDC | Recognises that Indigenous, low SES and remote populations have different use patterns for criminal courts and related services. |
|  | Wage | Recognises the difference in the cost of labour between States. |
|  | Regional costs | Recognises the cost of delivering service can vary between regions. |
|  | Service delivery scale | Recognises the diseconomies of magistrate’s courts in small and regional communities. This is not considered relevant to higher courts as cases tend to be heard in major cities and regional centres.  |
| 3. Other legal services | EPC | Recognises that civil court and other legal services are provided to the whole community.  |
|  | Wage costs | Recognises the difference in the cost of labour between States. |
| 4. Prisons | SDC | Recognises that Indigenous, low SES and remote populations have different rates of incarceration in prison. |
|  | Wages | Recognises the difference in the cost of labour between States |
|  | Regional costs | Recognises that prisons are located throughout a State and the cost of delivering services can vary between regions. |

#### Data / information sought from States

* 1. Data that have already been requested from States:
* offender data by suburb, Indigenous status and age
* offence data by suburbs
* police costs data
	1. Court data requests will be sent out at the end of May, seeking data returns by the end of July 2018. Data will be sought on:
* Defendants finalised by suburb, Indigenous status and age split by traffic and other offences.
1. As outlined in the *Report on GST Revenue Sharing Relativities, 2015 Review* this split was arrived at by examining State budget papers and Police services annual reports. Where information about Police activities was available, it varied across States from 30:70 (community: specialised) in Western Australia, to about 70:30 in Tasmania, with an average of 55:45. With no clear evidence to base a move away from the 2010 Review position, the Commission retained splitting expenses equally between community and specialised policing. [↑](#footnote-ref-1)
2. Commission calculations using State provided data. [↑](#footnote-ref-2)
3. Police department expenses not separately identified as legal services are differentially assessed within police services. [↑](#footnote-ref-3)
4. Productivity Commission, Report on Government Services, 2018, Chapter 8. [↑](#footnote-ref-4)
5. https://www.police.nsw.gov.au/online\_services/user\_charges\_user\_pays\_policing\_services [↑](#footnote-ref-5)