# Addendum

## 2025 Methodology Review: justice draft position paper – revised indicative distribution impacts

* 1. On 18 July, states were notified of an error in the GST impacts in the [2025 Methodology Review justice draft position paper](https://www.cgc.gov.au/sites/default/files/2025-06/2025%20Methodology%20Review_justice%20draft%20position%20paper.pdf) (issued 27 June). Scaling had not been applied to the state cost and proceedings data that inform the police regression. Scaling state-provided cost and proceedings data to ABS data mitigates the effect of differences in state reporting practices, improving the consistency of the data between states.

The updated GST impacts, scaling factors and regression coefficients are provided in this paper. The location of data and analysis in this paper and the corresponding tables in the draft position paper are shown in Table 1.

Table 1 Location of data and analysis in the addendum and the draft position paper

|  |  |  |
| --- | --- | --- |
|  | Addendum | Draft position paper |
| GST impacts – category | Table 2 | Table 6 |
| GST impacts – data updates police | Table 3  (recurrent) | Table 7  (recurrent & investment) |
| GST impacts – method changes police | Table 3  (recurrent) | Table 8  (recurrent & investment) |
| GST impacts – investment police | Table 4 | Not separately identified |
| Scaling adjustment to regression data | Table 5 | - |
| Regression data and cost weights - police | Table 6 and Table 7 | Table 1 and Table C-3 |

The deadline for responding to the draft position paper has been extended to 22 August. States will have another opportunity to provide views on methods when the overview of the final justice assessment (including 2023–24 data) is released in October. Please note that the impacts provided here and in the draft position paper will change with the inclusion of 2023‍–24 data in October.

### Impact of data and method changes - justice category

Following scaling, the updated impact on the GST distribution in 2025–26 from data updates and the proposed method changes, including the revised impacts for police, is shown in Table 2.

Table 2 Updated indicative impact on GST distribution recurrent and investment (difference from an equal per capita distribution), 2025–26

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total Effect |
|  | $m | $m | $m | $m | $m | $m | $m | $m | $m |
| R2025 using R2020 methods | -334 | -1299 | 476 | 373 | -8 | 113 | -137 | 817 | 1779 |
| R2025 using draft U2026 methods | -132 | -1462 | 519 | 303 | -33 | 173 | -154 | 785 | 1695 |
| Effect of proposed changes | 202 | -163 | 43 | -70 | -25 | 60 | -17 | -32 | 305 |
|  | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc |
| R2025 using R2020 methods | -39 | -181 | 83 | 122 | -4 | 196 | -284 | 3177 | 64 |
| R2025 using draft U2026 methods | -15 | -204 | 91 | 99 | -17 | 299 | -319 | 3053 | 61 |
| Effect of proposed changes | 23 | -23 | 7 | -23 | -13 | 103 | -35 | -124 | 11 |

Note: Includes impact of changes to recurrent justice assessment and the subsequent impact on the investment assessment.

The GST pool and population estimates are equivalent to those used in the 2025 Review.

The data included in the table have not been subject to full quality assurance processes and, as such, should be treated as indicative only.

Indicative GST impacts are provided for illustrative purposes only and should not be used to predict impacts on GST distribution for 2026–27.

### Impact of data and method changes – police component

The impact of scaling regression data is presented in Table 3 as a data update. There are minor differences in the method change impacts from the draft position paper. This is a consequence of applying the updated regression cost weights and the use of slightly updated population data.

The impact of data updates and method changes in police on the investment assessment are small and are shown in Table 4.

Table 3 Updated indicative impact on GST distribution of data updates and method changes for recurrent police component (difference between the 2025 Review assessment and an assessment using updated data and proposed method changes), 2025–26

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total Effect |
|  | $m | $m | $m | $m | $m | $m | $m | $m | $m |
| Data updates | 41 | -126 | 64 | -12 | -14 | 24 | -9 | 31 | 160 |
| Scaling of regression data | -58 | -26 | -19 | 73 | 12 | -19 | 5 | 32 | 122 |
| Other data updates (a) | 99 | -100 | 84 | -85 | -27 | 43 | -13 | -1 | 225 |
| Method changes | 20 | 14 | -26 | -3 | -2 | 0 | -1 | -2 | 34 |
| Allocation of central costs | 21 | 22 | -9 | -15 | -2 | -3 | 2 | -17 | 45 |
| Combining remote and very remote costs | -2 | 1 | 2 | 1 | -4 | 0 | 0 | 4 | 7 |
| Change SES split | 1 | -9 | -18 | 11 | 4 | 3 | -3 | 11 | 30 |
| Total | 60 | -112 | 39 | -15 | -17 | 24 | -9 | 29 | 152 |
|  | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc | $pc |
| Data updates | 5 | -18 | 11 | -4 | -7 | 41 | -18 | 121 | 6 |
| Scaling of regression data | -7 | -4 | -3 | 24 | 7 | -32 | 10 | 126 | 4 |
| Other data updates | 11 | -14 | 15 | -28 | -14 | 74 | -27 | -4 | 8 |
| Method changes | 2 | 2 | -4 | -1 | -1 | 1 | -2 | -9 | 1 |
| Allocation of central costs | 2 | 3 | -2 | -5 | -1 | -4 | 5 | -65 | 2 |
| Combining remote and very remote costs | 0 | 0 | 0 | 0 | -2 | -1 | 0 | 14 | 0 |
| Change SES split | 0 | -1 | -3 | 4 | 2 | 6 | -6 | 42 | 1 |
| Total | 7 | -16 | 7 | -5 | -9 | 42 | -19 | 113 | 5 |

1. Other data changes include updates to census data and state-provided cost, proceedings and offender SDC data.

Note: Includes the impact of data changes on the recurrent justice assessment.

The GST pool and population estimates are equivalent to those used in the 2025 Review.

The data included in the table have not been subject to full quality assurance processes and, as such, should be treated as indicative only.

Indicative GST impacts are provided for illustrative purposes only and should not be used to predict impacts on GST distribution for 2026–27.

Table 4 Indicative impact on GST distribution of data and method changes to police on the investment assessment, (difference between the 2025 Review assessment and an assessment using updated data and proposed method changes), 2025–‍26

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | NSW | Vic | Qld | WA | SA | Tas | ACT | NT | Total Effect |
| $m | 4 | -7 | 2 | -3 | 0 | 2 | 0 | 2 | 10 |
| $pc | 0 | -1 | 0 | -1 | 0 | 4 | -1 | 9 | 0 |

#### Scaling factors

The scaling factors applied to 2022–23 data are shown in Table 5.

Table 5 2022-23 scaling adjustments

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | NSW | | Vic | Qld | WA | SA | Tas | ACT | NT |
| Costs | | 0.81 | 0.87 | 0.94 | 0.79 | 0.84 | 0.70 | 0.79 | 0.79 |
| Proceedings | | 0.98 | 0.69 | 0.54 | 0.84 | 0.79 | 1.26 | 0.36 | 0.44 |

Note: Scaling factors are calculated as the number of total proceedings or costs in ABS data as a proportion of state-provided totals. The resulting factor can be applied to state-provided data such that state totals reconcile with ABS reported figures of the same measure.

#### Regression results

The updated regression results and costs weights are shown in Tables 6 and 7.

Table 6 Police regression results, 2022–23 data

|  |  |  |  |
| --- | --- | --- | --- |
|  | Police regression fit statistics | | |
|  | Estimate | Standard error | Significance |
| Intercept | 254 | 26 | \*\*\* |
| Inner Regional | 150 | 42 | \*\*\* |
| Outer Regional | 277 | 62 | \*\*\* |
| All Remote | 1,184 | 144 | \*\*\* |
| Offenders | 8,951 | 981 | \*\*\* |
|  |  |  |  |
| R-squared | 0.723 |  |  |
| Adjusted R-squared | 0.715 |  |  |
| Sample size | 152 |  |  |

Note: ‘\*\*\*’ represents statistically significant coefficients at a 0.001 confidence.

Results are based off a method for allocating central costs that apportion 50% by shares of full-time staff and 50% by shares of expenses in police districts.

Table 7 Estimated police costs and cost weights, 2022–23 data

|  |  |  |
| --- | --- | --- |
|  | Cost weight | Estimated costs |
| Per person in major cities area | 1.00 | 254 |
| Per person in inner regional area | 1.59 | 404 |
| Per person in outer regional area | 2.09 | 531 |
| Per person in remote area (a) | 5.66 | 1,438 |
| Per person in very remote area (a) | 5.66 | 1,438 |
| Per offender | 35.23 | 8,951 |

1. Subject to 2023–24 data, the Commission is proposing to combine the cost weights for remote and very remote areas in the police regression for the 2026 Update.

Table 8 shows the revised timetable for the finalisation of the justice assessment including an additional 2 weeks for consultation on the draft position paper. The Commission acknowledges the disruption to states’ internal research and clearance processes and thanks states for their understanding. If states are unable to meet the 22 August deadline, the Commission asks that an official’s copy of the submission be provided if possible. This will assist in finalising the assessment for the 2026 Update.

Table 8 Revised timetable for the finalisation of the justice assessment

|  |  |
| --- | --- |
| Timing | Process |
| 2025 |  |
| 2 May | 2023–24 state justice data due. |
| 27 June | Draft position paper issued to states. |
| 25 July | Updated indicative GST impacts for police issued to states. |
| 22 August | State submissions on draft position paper due. |
| Mid-October | Overview of final justice assessment including changes since the draft position paper and indicative GST impacts. |
| Mid-November | State submissions on overview of final justice assessment paper due. |
| 2026 |  |
| February | Final justice assessment applied in the 2026 Update. Revised *Review Outcomes* and *Commission’s Assessment Methodology* chapters released. |