

Addendum

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

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- On 18 July, states were notified of an error in the GST impacts in the [2025 Methodology Review justice draft position paper](#) (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.
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- 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

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- 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

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- 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

- 15 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.
- 16 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

(a) 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

17 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

18 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

(a) 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.

19 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 <i>Review Outcomes</i> and <i>Commission's Assessment Methodology</i> chapters released.