QUEENSLAND TREASURY

Queensland response to the justice assessment review

2025 Methodology Review

22 August 2025



Summary

Commission draft position	Queensland response
The Commission considers 2022-23 data fit for use in developing the justice assessment.	Support
The Commission will use 2021 Census-based ERP in the revised justice assessment method.	Support with recommendations
The Commission proposes to allocate central costs using a 50:50 blend of proportion of police district FTE staff and police district expenses.	Do not support
The Commission proposes to combine the remote and very remote variables in the police regression, if supported by the inclusion of 2023-24 data.	Support with recommendations
The Commission proposes not to include an additional cost weight for remote offenders.	Do not support
The Commission proposes not to include a global cities driver in the assessment of police expenses.	Support
The Commission proposes to use a 5-tier structure to measure the SES of First Nations offenders, subject to 2023-24 data.	Support with recommendations
The Commission proposes not to assess the criminal courts component on an equal per capita basis.	Support
The Commission proposes to discontinue assessing regional costs for criminal and civil courts, subject to 2023-24 data.	Do not support
The Commission to determine whether to include a community corrections assessment and to retest its materiality when 2023-24 data is available.	Do not support introducing a community corrections assessment
The Commission to determine whether to include a juvenile detainee cost weight and to retest its materiality when 2023-24 data is available.	Support introducing a juvenile detainee cost weight
The Commission proposes to use the general service delivery scale (discounted by 25%) to assess service delivery scale in prisons.	Support use of general SDS
The Commission proposes not to assess regional costs in the prisons assessment.	Do not support removing regional costs
The Commission will attribute Indigenous status to not-stated finalised defendants by the proportion of stated defendant response.	Support

Commission position

The Commission considers 2022-23 data fit for use in developing the justice assessment.

Queensland position

Queensland <u>supports</u> the Commission using the 2022-23 data for the justice assessment, as doing so aligns with the principle of contemporaneity by reflecting the current circumstances and demands on state justice systems.

Compared to data from earlier years, the 2022-23 data is less affected by distortions resulting from the impact of the COVID-19 pandemic on the justice system operations, crime rates and service delivery patterns.

An important condition for using the 2022-23 data is that the Commission ensures data quality and comparability across jurisdictions by addressing any residual inconsistencies or anomalies.

Commission position

The Commission will use 2021 Census-based ERP in the revised justice assessment method.

Queensland position

Queensland <u>supports</u> the use of 2021 Census-based ERP data over projections based on the 2016 Census, in line with the principle of contemporaneity.

However, as noted in Queensland's 2024 New Issues submission, the 2021 Census data was significantly impacted by reporting issues for First Nations peoples. Over half of the reported growth in the First Nations population in the 2021 Census was attributed to non-demographic factors¹, such as increased self-identification and improved coverage. Consequently, the composition of the First Nations population in the 2021 Census is not directly comparable to that of the 2016 Census.

The Commission should ensure that the inclusion of 2021 Census-based ERP projections will not compromise data quality or introduce bias into assessment outcomes.

Queensland <u>recommends</u> the data is tested accordingly with analysis and results shared with states prior to the CGC implementing the changes. This will ensure transparency and allow states to provide feedback on the robustness of the data and its implications for the justice assessment.

Commission position

• The Commission proposes to allocate central costs using a 50:50 blend of proportion of FTE staff and police district expenses.

Queensland position

Queensland <u>does not support</u> changes to the current method for allocating central costs across regions.

The proposed change to apply a blended 50:50 allocation based on FTE staff numbers and district expenses appears to be an arbitrary judgement on how central costs may be allocated, without the full availability of data from states with large remote areas.

Instead, Queensland <u>recommends</u> that the Commission seeks further improvements to data quality and consistency, as well as identifies the most appropriate method of allocating central costs, through the Data Working Group proposed as part of the Commission's Forward Work Program.

¹ Australian Bureau of Statistics, Understanding change in counts of Aboriginal and Torres Strait Islander Australians: Census, <u>Understanding change in counts of Aboriginal and Torres Strait Islander Australians: Census, 2021 | Australian Bureau of Statistics, accessed 27 July 2025</u>

Commission position

• The Commission proposes to combine the remote and very remote variables in the police regression, if supported by the inclusion of 2023-24 data.

Queensland position

Queensland's <u>supports</u> the Commission's proposal to combine the remote and very remote variables in the police regression, if supported by the inclusion of 2023-24 data.

Queensland continues to maintain that very remote regions incur significantly higher costs and require greater cost weights, an issue clearly flagged in Queensland's engagement with the Commission through the 2025 Review.

While the Commission's analysis of 2022-23 data suggests combining remote and very remote variables in the police regression could align with the conceptual case that very remote areas should cost more to service, the observed trends in the 2022-23 data appear to be influenced by the reallocation of police resources within the Northern Territory, particularly the reassignment of additional police staff to Alice Springs.

Queensland <u>strongly recommends</u> the Commission carefully analyses the 2023-24 data before combining the variables, given the potential that trends in the 2022-23 data reflect temporary factors. This is important as the regression model will remain fixed until the next review and embedding temporary factors could lead to unintended consequences in the methodology.

Commission position

• The Commission proposes not to include an additional cost weight for remote offenders.

Queensland position

Queensland <u>does not support</u> the Commission excluding an additional cost weight for offenders in very remote locations.

In the 2025 Review, Queensland presented compelling evidence demonstrating the significantly higher costs of policing offenders in remote regions.

Analysis of 2022-23 Queensland Police Service (QPS) expenditure data showed that costs across various spending categories were substantially higher in rural and remote areas. For example, the costs of supplies and services in very remote areas were 331 per cent higher than in metropolitan areas, while depreciation costs were 406 per cent higher.

These higher costs in policing remote and rural areas are due to various factors, including: increased transport and travel costs; costs associated with higher numbers of police stations, police housing, vessels and aircraft to maintain a policing presence; higher overheads in maintaining and constructing capital infrastructure; and cultural and isolation factors.

The costs of policing the Torres Strait were particularly considerable and most pointedly reflect why a higher cost weight or additional cost weight in such remote and challenging locations is required.

As noted during the 2025 Review, this region contains a population of approximately 7,700 persons, spread across 14 islands and communities, and an area of 50,000 square kilometres (or 70% the size of Tasmania). Servicing the demand for policing responses in this region is therefore complex and costly with the ability to respond to offences determined by the location, time of day and availability of transport.

For this reason, it is necessary for the QPS to maintain, at considerable cost, a fleet of vehicles across islands, water vessels, and aircraft to reach outer islands (otherwise inaccessible) when other forms of travel are not available. Even with this capacity, the average response times within the Torres Strait is 97 minutes compared to 33 minutes state-wide.

The impact of these service challenges extends to costs of operation and can be seen in the costs of housing and office accommodation. The QPS maintains 29 residences in the Tores Strait. This comes at an average rent of \$900 per week, compared to \$620 per week in Brisbane. Likewise, office space cost \$1,000 per square metre compared to \$700 per square metre in Brisbane. The costs of training have also been shown to be significantly higher, with a marine training course costing three times as much to deliver on Thursday Island (\$15,490) compared to Brisbane (\$5,054).

Including an additional remoteness factor would help to rectify some of the shortcomings in the current model. However, we continue to maintain that changes to the assessment structure are also needed.

Remoteness under the current model is applied only to population component of the assessment and thus incorrectly assumes that all offenders cost the same amount to process regardless of where the crime is occurring or which groups are driving the crime. In reality, cost drivers are complex and interacting and isolating remoteness from offending understates Queensland's need.

To illustrate this, we can consider two communities with similar population and remoteness profiles (Aurukun (Qld) and Brewarrina (NSW)). Under the current assessment, they will be treated similarly. However, there are important points of difference in both Indigeneity (89% in Aurukun and 59% in Brewarrina) and median age (29 in Aurukun and 36 in Brewarrina) which contribute to significant differences in offence rates – e.g. 4.5 times more assaults in Aurukun.

Queensland <u>strongly recommends</u> that, to properly account for these interacting factors in the assessment model, all cost drivers should be combined and offenders by cohort and location should be considered the volume driver for police activity, with an appropriate cost factor applied to this driver. Not doing this means continuing to understate Queensland's assessed need.

Commission position

• The Commission proposes not to include a global cities driver in the assessment of police expenses.

Queensland position

Queensland <u>supports</u> the Commission's proposal not to include a global cities driver in the assessment of police expenses, noting that crimes such as terrorism, organised crime, cybercrime, and financial crime are predominantly addressed by Commonwealth agencies rather than state police forces.

- *Terrorism* the Australian Federal Police, supported by the Australian Security and Intelligence Organisation, play the lead role in monitoring and responding to terrorism threats, and in questioning and detaining suspects accused of terrorism related offences.
- Financial crimes the Australian Federal Police investigates and prosecutes money laundering and serious financial crimes that affect the Commonwealth. The Australian Securities and Investments Commission (ASIC) regulates and enforces laws within financial services, consumer credit and authorised financial markets operating in Australia.
- Cybercrimes The Australian Federal Police, takes the lead role in investigating cybercrime, working alongside other Commonwealth funded government bodies, including the Australian Criminal Intelligence Commission, Australian Cyber Security Centre, Commonwealth Director of Public Prosecutions, and Department of Home Affairs. Technological advances also mean that cybercriminal groups can target people and businesses anywhere in the world, making no single jurisdiction more at risk than another.

Organised crime presents an issue for all jurisdictions and regions, not just major cities, given the trans-national nature of organised crime. For example, the Queensland Police Service's Serious

and Organised Crime Group addresses organised crime across Queensland, including rural and regional areas. Indeed, often criminals try to enter Queensland from isolated regional locations.

To the extent that states bear any costs for these crimes, there is insufficient evidence to suggest that their incidence is more prevalent in certain cities or jurisdictions.

Commission position

• The Commission proposes to use a 5-tier structure to measure the SES of First Nations offenders, subject to 2023-24 data.

Queensland position

Queensland <u>supports</u> the Commission's proposal to use a 5-tier structure to measure the SES of First Nations offenders, subject to a careful analysis of 2023-24 data.

Queensland notes that a linear relationship between First Nations SES and offence rates using a five-tier structure is not strongly evident in the 2022-23 data, as illustrated in Figure 10 of the Commission's position paper.

Queensland therefore <u>recommends</u> that the proposed change be implemented only if the relationship is consistently observed in both 2022-23 and 2023-24 data.

If the 2023-24 data produces materially different cost weighting results, it would be preferable to retain the three-tier structure from the 2020 Review to ensure the assessment remains robust and reflective of actual trends.

Commission position

• The Commission proposes not to assess the criminal courts component on an equal per capita basis.

Queensland position

Queensland <u>supports</u> the Commission's proposal not to assess the criminal courts component on an equal per capita basis.

Population alone is not suitable as an indicator of criminal court expenses. It explains far less of the variation in court expenses compared to the number of finalised defendants or court lodgements. An EPC driver would incorrectly assume that all individuals have the same need for court services, disregarding the influence of socio-demographic characteristics such as age, Indigenous status, and socio-economic status, which affect the likelihood of individuals interacting with the criminal court system.

Furthermore, the Commission itself has noted that assessing criminal courts on an EPC basis would require evidence that all individuals are equally likely to use criminal court services. This is not supported by the available data.

According to the Report on Government Services, finalisations represent the completion of matters in the court system, making them the most reflective measure of criminal court spending needs. Therefore, it should continue to be used in the assessment.

Alternatively, court lodgements, which represent matters initiated in the court system and provide a basis for court workload, could also serve as a measure of demand for court services.

Commission position

 The Commission proposes to discontinue assessing regional costs for criminal and civil courts, subject to 2023-24 data.

Queensland position

Queensland <u>does not support</u> discontinuing the assessment of regional costs for criminal and civil courts.

It is important to apply cost gradients to account for regional and service delivery scale costs in the justice assessment, as illustrated by the Torres Strait example in the policing context. This principle is equally relevant to the assessment of criminal and civil court costs.

Including a cost gradient is necessary to reflect the relative costs of court services between regions and the additional expenses associated with travelling to attend court, particularly as higher courts rarely travel to remote areas.

While Queensland acknowledges the Commission's argument that structural changes, such as the increased use of audio-visual technology since the COVID-19 pandemic, have reduced the need for physical presence in court, challenges remain with its implementation. These challenges are particularly evident in older courts and prisons where audio-visual systems have been retrofitted, and in areas with less reliable electricity and network connections. Such issues are more pronounced in regional and remote areas, further justifying the need for a cost gradient to account for these disparities.

Queensland <u>recommends</u> that the Commission carefully consider the 2023-24 data before discontinuing the assessment of regional costs for criminal and civil courts. If the data indicates that regional cost disparities persist, the cost gradient should remain to ensure the assessment accurately reflects the true costs of delivering justice services across all regions.

Commission position

• The Commission to determine whether to include a community corrections assessment and to retest its materiality when 2023-24 data is available.

Queensland position

Queensland <u>does not support</u> the Commission's proposal to introduce an assessment of community corrections orders, based on concerns that observed materiality, if any, may be driven disproportionately by policy decisions in New South Wales rather than reflecting genuine state need.

New South Wales' 2018 sentencing reforms significantly increased the use of community-based corrections orders in that state, with a 74% increase in persons on such orders over the six years to 2023-24. In contrast, other states have experienced an 18% decrease over the same period. An evaluation by the New South Wales Bureau of Crime Statistics and Research² found that the proportion of offenders receiving supervised community orders in local and district courts increased by 7.4 and 9.6 percentage points, respectively.

If the materiality of including community corrections orders is found to be driven by these policy changes in New South Wales, it would represent a method change based on state policy rather than state need, clearly violating the principle of policy neutrality.

Additionally, Queensland notes that community-based corrections represent a relatively small expense compared to prisons and juvenile detention. Without a clear implementation plan, the inclusion of community corrections in the prisons assessment risks driving inappropriate outcomes. Queensland also highlights the potential for increased complexity in data reporting requirements for states, which may not be justified given the limited materiality of this component, if any.

² NSW Bureau of Crime Statistics Research, "The impact of the 2018 NSW sentencing reforms on supervised community orders and short-term prison sentences", The impact of the 2018 NSW sentencing reforms on supervised community orders and short-term prison sentences | BOCSAR, accessed 8 July 2025

Queensland <u>recommends</u> that the Commission carefully consider the 2023-24 data and ensure that any decision to include community corrections orders in the assessment is based on genuine state need rather than policy-driven outcomes, and if the indication of state need is material.

If the materiality threshold is not met or if the results are found to be policy-contaminated, Queensland strongly opposes the inclusion of community corrections in the prisons assessment.

Commission position

• The Commission to determine whether to include a juvenile detainee cost weight and to retest its materiality when 2023-24 data is available.

Queensland position

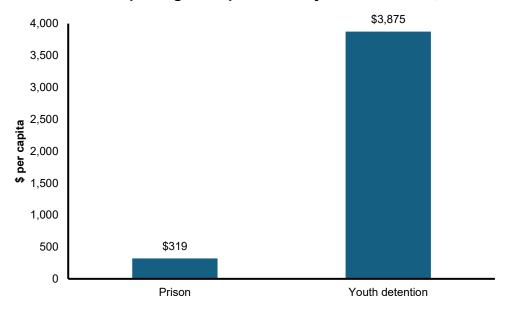
Queensland <u>supports</u> the Commission's proposal to introduce a cost weight for juvenile detainees in the prisons assessment.

Failing to apply this cost weight would not adequately reflect that the cost of detainment per night for juvenile detainees is substantially higher than for adult prisoners, as indicated by the Report on Government Services (RoGS) data.

This cost disparity reflects the unique and resource-intensive nature of youth detention services, including higher staffing ratios, specialised programs, and additional infrastructure requirements.

States with higher proportions of juvenile detainees, such as Queensland, bear a disproportionate share of these costs, which should be recognised in the assessment.

Cost of detainment per night for prison and youth detention, 2023-24 (\$)



Queensland <u>recommends</u> that the Commission use cost per bed night as the basis for calculating the juvenile detainee cost weight. This approach accounts for the shorter average length of stay of juvenile detainees compared to adult prisoners, which an annual average cost measure fails to capture. A cost per bed night metric can be derived using RoGS data and would provide a more accurate and equitable reflection of the costs incurred by states.

Queensland also notes the Commission's intention to use national average data to calculate the cost weight, as this approach smooths out policy influences from individual states. While the RoGS data include a qualifier regarding comparability across jurisdictions, they remain the best available source for determining cost differences between adult prisoners and juvenile detainees.

Queensland <u>supports</u> the Commission's plan to retest the materiality of the juvenile detainee cost weight using 2023-24 data. If the cost weight is found to be material, Queensland recommends

its implementation in the 2026 Update, with annual updates thereafter to reflect changes in costs and detainee populations.

Commission position

• The Commission proposes to use the general service delivery scale (discounted by 25%) to assess service delivery scale and not assess regional cost in the prisons assessment.

Queensland position

Queensland <u>supports</u> the use of a general service delivery scale in the prisons assessment on the conceptual basis that costs per prisoner increase as the size of the prisons decrease. Noting the data limitations caused by a small prisons dataset which present difficulties in calculating a specific cost gradient, Queensland is comfortable with the general SDS being applied.

Queensland <u>does not support</u> removing regional cost from the prisons assessment. The Commission has previously acknowledged the conceptual case for recognising remoteness costs in prisons with greater operational costs for transport, food and wages.

It is average policy for states with remote populations to have prisons in regional and remote areas and given Queensland's dispersed population and vast land area there is a need to provide appropriate criminal justice facilities in regional areas.

Locating prisoners in remote areas is also supported by a body of research showing that in-person visitation and contact with family and friends is significantly beneficial for incarcerated persons, reducing recidivism, and improving health and behaviour. As such, Queensland Corrective Services, in its approach to prisoner placement, gives consideration to maintaining person's family and community ties.³ With respect to Aboriginal and Torres Strait Islander peoples this obligation is included in legislation⁴.

The Commission position on removing regional costs is based on testing of updated data in the current regression model. However, this model is noted to have a low level of explanatory power and high level of standard error.

Queensland <u>recommends</u> that the Commission further consider alternative methods to assessing prison cost and retain the existing methods until a more suitable approach can be determined, rather than making changes on the basis of an unreliable model.

Commission position

• The Commission will attribute Indigenous status to not-stated finalised defendants by the proportion of stated defendant response.

Queensland position

Queensland <u>supports</u> the decision to use the Indigenous status of stated responses as the basis for attributing Indigenous status to non-stated responses as the most practical option.

The proportion of not-stated responses has decreased significantly, from 41 per cent in the 2020 Review to 7 per cent in the 2022-23 data. Given this small proportion, Queensland agrees that attributing Indigenous status in this manner is unlikely to materially impact the results or overestimate the number of First Nations finalised defendants.

Queensland notes this method ensures a reasonable and equitable approach to addressing data gaps while maintaining the integrity of the assessment.

³ Queensland Law Handbook, Prisoner Placement and Transfer, Prison Placement and Transfer – Queensland Law Handbook Online

⁴ Queensland Government Legislation, Corrective Services Regulation 2017, access 18 June 2025, Corrective Services Regulation 2017 - Queensland Legislation - Queensland Government

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