

To clarify some of our comments on the initial paper, when we refer to capital city type services we are not just referring to the minimum head office functions assessed under administrative scale. The kinds of capital city type services which are relevant to remoteness are far wider than that ? for example, they include the more complex kinds of hospital procedures that are only available in the capital city, and for which all state residents must travel to the capital city. A significant amount of expenditure and service delivery may be centralised but also scale affected, and this is one of the reasons that the distance to capital city is important to the remoteness of a particular location.

Our understanding is that, while ARIA is intended as a more general means of measuring remoteness, SARIA was developed specifically for the Commission's purposes and has been used for a number of years. We also note that while one of the ARIA assumptions (permeability of borders) was generally agreed to by states in their submissions, the rest were not. Most states supported retaining SARIA overall, with only one state supporting a full change to ARIA. Given these circumstances, Queensland's view is that, in this case, the default position should be that SARIA should continue to be used.

We think this requires that substantial evidence be provided that ARIA better captures what we are trying to measure than SARIA does before it is adopted as the general measure of remoteness. However, we do not think such a case has yet been made and your discussion of the evidence seems to accept this.

We consider that the categorisation of Hobart and Darwin as regional cities (as in ARIA) requires further consideration, which would involve the examination of whether these cities exert influence beyond their size.

Conceptually, our expectation is that these cities would provide capital city services to the populations of their states, in a similar way to larger capital cities. However, as evidence of this relates only to cities in Tasmania and the Northern Territory, and would likely require a detailed examination of service delivery, Queensland, and probably the other jurisdictions, are clearly not in a position to provide the evidence requested. We think a better way of dealing with this issue would be for Commission staff to investigate further with Tasmania and the Northern Territory, and to delay seeking a Commission decision until this issue is looked at more closely.

If, after further examination of these issues, the Commission decides that there is good evidence that ARIA is a better geography for its purposes than SARIA, Queensland would not have a strong objection to ARIA being adopted as the general measure of remoteness.