

COMMONWEALTH GRANTS COMMISSION (CGC) 2010 REVIEW

COMMISSION POSITION PAPER 2008/24

PUBLIC SAFETY

NEW SOUTH WALES TREASURY COMMENTS

FEBRUARY 2009

New South Wales Treasury agrees with the equal per capita (EPC) assessment for the Public safety category as it is a policy neutral assessment approach, where the category expenses aim to provide service to the whole of the community.

In its previous submission New South Wales Treasury expressed concerns about the inclusion of some of the common disability factors in the assessment. These concerns continue and centre on the conceptual foundations of the adjustments.

The Commission intends to assess Public Safety expenses as a single category with two components. The major component will be Service use expenses which will be assessed on an EPC basis. The remainder of the category assessment will be for Administrative scale expenses. The Commission intends to employ adjustments for Location disabilities in both expense categories.

New South Wales Treasury notes the change from the 2004 Review position by the removal of natural disaster expenses from Public safety category to Other services category.

Public Safety Services Expenses

New South Wales Treasury notes the EPC approach for the assessment of Public safety service use expenses. Treasury agrees this reflects the diverse nature of the safety environment faced by the states and territories and the variety of responses required. Whilst there are some common elements to the category across the states and territories there is also great diversity. Additionally, as services are provided to the whole of the population, it is appropriate to assess them on an EPC basis as the Commission suggests.

Urban Complexity Disability

Victoria sought the continued assessment of an urban complexity disability in calculating the emergency services use expense. Victoria continues to believe

there are significant extra costs in providing public safety services to highly complex urban areas. There is a strong conceptual case for the higher costs of emergency management in these areas but most other states and territories disagreed.

New South Wales Treasury previously supported the inclusion of an Urban complexity disability and continues to believe there is a strong conceptual case for it. Treasury believes the problem lies not in the conceptual case but the difficulty in separating the costs of urban complexity from other costs.

Administrative Scale

As outlined in the separate submission on Administrative scale, New South Wales Treasury continues to question the Commission's intention to apply an Administrative scale expense component to the category.