



2010 REVIEW OF METHODOLOGY

FOR REVENUE SHARING RELATIVITIES

BY THE

COMMONWEALTH GRANTS COMMISSION

TASMANIAN WORKPLACE DISCUSSIONS

28 APRIL TO 2 MAY 2008

Discussion Material

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2008 Workplace Discussions – Itinerary

Day 1 – Monday 28 April

Time	Location and activity	Proposed Presenter(s)
9.45 am	Commissioners arrive into Hobart	
10.30 am	Treasury Building (Corporate Training Room) Morning Tea	
11.00 am	<ul style="list-style-type: none"> • Welcome • Overview <ul style="list-style-type: none"> ○ Budget Overview ○ Tasmania's economy and changes in past five years ○ Tasmania's population size, age profile and distribution ○ Service delivery in the Tasmanian context ○ Labour market supply for the public sector • Administrative Scale: The Expanding Role of Government 	Treasury <ul style="list-style-type: none"> • Don Challen (Secretary) • Tony Ferrall (Deputy Secretary) • Chris Lock (Director, Economic Policy Branch) • Alex Tay (Assistant Director, Inter-Government and Financial Policy Branch) DPAC <ul style="list-style-type: none"> • Rebekah Burton (Deputy Secretary) • Rhys Edwards (Deputy Secretary)
1.00 pm	Lunch	
1.45 pm	Treasury Building cont'd <ul style="list-style-type: none"> • Capital and PPPs 	Treasury <ul style="list-style-type: none"> • Tony Ferrall (Deputy Secretary) DHHS <ul style="list-style-type: none"> • Peter White (Acting Manager Housing Strategy, Housing Tasmania)
2.30 pm	Treasury Building <ul style="list-style-type: none"> • Roads and Transport Services 	DIER <ul style="list-style-type: none"> • David Peters (Deputy Secretary) • David Spence (General Manager, Infrastructure Policy) • Peter Todd (General Manager, Roads and Traffic Division) • John Pauley (General Manager, Passenger Transport) Metro <ul style="list-style-type: none"> • Tony Sim (Chief

Time	Location and activity	Proposed Presenter(s)
		Executive Officer)
3.30 pm	Revenue and progressive tax rates	Treasury <ul style="list-style-type: none"> • Adrian Christian (Director, Inter-Government and Financial Policy Branch)
4.00 pm	End of presentations	
Evening	Dinner with Treasurer	
	Overnight in Hobart	

Day 2 – Tuesday 29 April

Time	Location and activity	Presenter
9.00	Board bus for Hobart College	
9.30	Hobart College <ul style="list-style-type: none"> • Education in Tasmania overview • Post compulsory education and training 	DoE <ul style="list-style-type: none"> • John Smyth (Secretary) • Mark Sayer (General Manager, Skills Tasmania)
10.30	Morning Tea – Hobart College	
11.00	Board bus to Hobart	
11.30	Treasury Building <ul style="list-style-type: none"> • Admin Scale in statutory officer positions • Wages costs – custodial officers and legal professionals 	Department of Justice <ul style="list-style-type: none"> • Dale Webster (Registrar, Mental Health Tribunal) • Brian Smith (Deputy Secretary)
12.30	Lunch	
1.15	Board bus to Bridgewater/Gagebrook	
2.00	Bridgewater/Gagebrook (Brighton Council Chambers) <ul style="list-style-type: none"> • Combined agency presentation – social and economic disadvantage <ul style="list-style-type: none"> ○ Education ○ Health Services ○ Housing ○ Policing 	DoE <ul style="list-style-type: none"> • Jenny Gale (General Manager, Strategic Policy and Performance) • Kim Harvey (Principal, Cambridge Primary School) DHHS <ul style="list-style-type: none"> • Roscoe Taylor (Director, Population Health) • Simon Barnsley (Deputy Secretary) • Mary Blackwood (Director, Oral Health) • Emma Bridge (Manager, Business and Service Development) • Mercia Bresnehan (Director, Housing Tasmania) • Peter White (Manager, Portfolio Development and Investment) DPEM <ul style="list-style-type: none"> • Darren Hine (Acting Deputy Commissioner) • Vanessa Goodwin (Project Manager) • Scott Wilson-Haffenden (Director, Corporate Services) • Glenn Woolley (Inspector)
3.15	Afternoon tea	
3.30	Bridgewater discussions cont'd	DPEM

Time	Location and activity	Presenter
		DHHS DoE
4.30	Board bus to Hobart	
5.15	Overnight in Hobart.	

Day 3 – Wednesday 30 April

Time	Location and activity	Presenter
8.50	Treasury Building <ul style="list-style-type: none"> Economic disadvantage and demand for Justice services 	DoJ <ul style="list-style-type: none"> Rob White (Professor of Sociology, University of Tasmania) Marja Elizabeth (Director, Community Corrections)
10.00	Morning tea	
10.20	Board bus to Launceston	
1.00	Lunch – Launceston	
2.00	Launceston General Hospital <ul style="list-style-type: none"> Clinical Services Plan Workforce issues Disability services 	DHHS <ul style="list-style-type: none"> Peter Renshaw (Director of Clinical Services) Catherine Katz (Deputy Secretary AHS) Alison Jacob (Deputy Secretary)
3.30	Afternoon tea – Launceston	
3.45	Launceston General Hospital cont'd	DHHS
5.00	Overnight in Launceston	

Day 4 – Thursday 1 May

Time	Location and activity	Presenter
8.20	Board bus to Scottsdale	
9.30	Scottsdale NE Soldiers Memorial Hospital <ul style="list-style-type: none"> Primary health Ambulance services 	DHHS <ul style="list-style-type: none"> Phil Morris (Area Manager, Primary Health North) Grant Lennox (Chief Executive Officer, Tasmanian Ambulance Service) Pip Leedham (Director, Primary Health) Mary Bent (Deputy Secretary CHS) Wolfgang Rechberger (Superintendent, Tasmanian Ambulance Service) Catherine Katz (Deputy Secretary AHS)
10.30	Morning tea – Scottsdale	
10.45	Scottsdale discussions cont'd	DHHS
11.30	Board bus to St Helens	
1.00	Lunch – St Helens	
1.40	St Helens (Break O'Day Council Chambers) <ul style="list-style-type: none"> Marine policing 	DPEM <ul style="list-style-type: none"> Shane Lefevre (Inspector, St

Time	Location and activity	Presenter
	<ul style="list-style-type: none"> • Policing small communities • Scale disadvantages 	Helens Station) <ul style="list-style-type: none"> • Ross Paine (Inspector, Marine and Rescue Services)
2.40	Board bus to Hobart	
4.15	Afternoon tea – Campbell Town	
4.35	Continue to Hobart	
6.15	Overnight in Hobart	

Day 5 – Friday 2 May

Time	Location and activity	Presenter
9.00	Treasury Building (Murray Room) <ul style="list-style-type: none"> • Summary and close 	Treasury <ul style="list-style-type: none"> • Rob Nicholl (Deputy Secretary)
10.00	Morning tea – Treasury Building	
4.50	Commissioners depart Hobart	

Workplace Discussion Session – Budget Overview

Time: 11am Monday 28 April 2008
Venue: Treasury Building - Hobart

Agency Representatives:

Tony Ferrall, Deputy Secretary, Budget and Finance Division, Treasury

Major Issues

- Revenue growth
- Expenditure pressures

Issues in Summary

Revenue Growth

Tasmania has experienced strong own source revenue growth in recent years, relative to growth in the previous decade. However, relative to other jurisdictions, this growth has generally not been strong enough to significantly change Tasmania's relative revenue raising capacity because it simply reflects the general trend in economic performance of all jurisdictions over the past few years.

The presentation will briefly discuss Tasmania's recent revenue performance and the outlook for the forward estimates period.

Expenditure pressures

Tasmania's General Government sector has experienced significant expenditure growth since the Commission last visited in 2002. Some portfolio areas have attracted greater increases in funding relative to others, particularly the health portfolio.

The presentation will discuss the expenditure pressures the State has faced in recent years and some of the key drivers of this growth. Unit cost and demand for services both have a role to play in explaining expenditure pressures. The focus will be on aggregate portfolio areas, with specific expense drivers to be discussed in agency presentations.

Relationship of Issues to CGC assessments

The issues relate broadly to both revenue and expenditure categories.

Workplace Discussion Session – Tasmania’s economy and its changes over the past five years

Time: 11 am Monday 28 April 2008
Venue: Treasury Building - Hobart

Agency Representatives:
Chris Lock, Director, Economic Policy, Treasury

Major Features

- Tasmania’s economic conditions have improved over the past five years, though there have been differences across the three regions of the State.
- This has led to an improvement in some indicators of disadvantage, such as the long term unemployment rate, and the share of the population on low incomes.
- However, the economic gap between Tasmania and the rest of Australia remains significant, which is evident in almost all economic indicators.

Overview

At the time the Commission last visited the State during the 2004 Review, Tasmania’s economy, and employment in particular, had started to grow at faster rates than during much of the 1990s. This improvement has been sustained since that time, due to several inter-related factors including increased investment, a closer alignment of property prices to those on the mainland and higher population growth. However, for some measures, such as employment growth, there has been a divergence in performance across the three regions, with much stronger growth in the southern region than in the north-west.

The improvement in economic performance has resulted in growth in average household income and wealth and an improvement in some indicators of disadvantage at a state-wide level.

However, Tasmania still lags the nation in almost all economic indicators data. This is evident when the data are assessed in levels terms. This means that while there have been some positive implications for State revenue and service delivery, Tasmania continues to face disadvantages in its revenue raising capacity and in the level of demand for, and costs of, government services.

Relationship of Issues to CGC assessments

The issues relate to both revenue and expenditure categories.

Workplace Discussion Session – Tasmania’s demographic profile and distribution

Time: 11am Monday 28 April 2008
Venue: Treasury Building - Hobart

Agency Representatives:
Chris Lock, Director Economic Policy, Treasury

Major Features

- Compared to the national population, a higher share of Tasmania’s population is disadvantaged, according to many socio-economic and health indicators.
- Tasmania’s population is ageing more rapidly than the population in any other state or territory.
- Tasmania’s population is decentralised and the extent of population ageing varies considerably across the State.
- Fertility rates tend to be higher in areas, and in households, that are relatively disadvantaged.

Summary of issues

This session will present a profile of Tasmania’s population and show how it differs from the rest of Australia. The session will also set out some of the challenges that Tasmania faces due to demographic change, which will impact on both the State’s long term revenue raising capacity and demand for, and costs of, government services. In particular, the session will look at the impact of demographic change occurring at different rates in different areas of Tasmania and the issues that arise.

Low socio-economic status

Across a broad range of indicators, Tasmania has higher proportions of its population that can be considered disadvantaged, or from a low socio-economic background. The presentation will discuss some of these data and indicators.

Ageing population

Tasmania’s population now has the highest median age, and continues to age more rapidly, than any other state or territory in Australia. Tasmania’s rate of ageing is considered high by world standards.

This trend is having, and will continue to have, significant implications for the demand for, and supply of, many State Government services.

The presentation will discuss Tasmania’s age profile relative to the rest of Australia.

Decentralised population

Tasmania has a very decentralised population, with many small populations distributed around the State. It is the only jurisdiction with less than half the population residing in the capital city.

The median age in the 29 municipal areas of Tasmania, shows marked variation. Population ageing also varies considerably and this variability is expected to remain in future decades, according to preliminary population projections prepared by the State Government. In particular, the changes in population within different age groups can be very different.

The level of demand for many government services, and the expected changes in demand, therefore, vary substantially across Tasmania. This has implications for future infrastructure needs and the Government's capacity to manage both the increases and decreases in demand for government services (i.e. reallocation) across Tasmania, especially in the rural areas.

Relationship of Issues to CGC assessments

- Socio-demographic composition
- Location

Workplace Discussion Session – Service Delivery in the Tasmanian Context

Time: 11am Monday 28 April 2008

Venue: Treasury Building - Hobart

Agency Representatives:

Alex Tay, Assistant Director, Intergovernment Financial Policy, Treasury

Major Issues

- Australian Government service delivery in Tasmania
- SARIA in the Tasmanian context

Issues in Summary

Following on from the Demographic Profile and Distribution presentation, this presentation will pick up on the discussion on Tasmania's decentralised population and discuss the implications it has for service delivery. It is also important to consider the other demographic challenges – low SES and ageing – exacerbates the challenges of a decentralised population, as the location of these population groups is a factor in service delivery location decisions.

Tasmania does not contend that its location challenges are the same as they are for states that have vast geographic areas and that have largely been the focus of the Commission's existing Dispersion assessment. Quite clearly, travel distances in Tasmania are not what they are in states such as Queensland and Western Australia.

However, Tasmania considers that its unique population distribution and high number of small centres, which is often exacerbated by difficult access between regions due to terrain, does result in a challenges unique to Tasmania.

Australian Government service delivery in Tasmania

Tasmania accepts that simply focussing on State Government service delivery in Tasmania would not prove the case that Tasmania has a unique location disability, as it could be argued that a relatively higher level of service provision may be influenced by State Government policy. In this context, Tasmania has picked up on some initial findings of Commission staff and has examined Australian Government service delivery in Tasmania. Tasmania considers that Australian Government service delivery provides a policy neutral indicator of location disabilities, as the Australian Government attempts to provide equity of access to its services throughout regions across the country.

The overwhelming and compelling case that can be drawn from examining Australian Government service delivery in Tasmania is that Tasmania has a relatively high servicing need relative to its population. In many Australian Government service delivery areas, the cost or amount of resources required in Tasmania is similar to Western Australia and Queensland, two states that have traditionally been

considered to be disadvantaged by the Commission in its intrastate location assessments.

While a number of reasons could explain this servicing level, Tasmania's population distribution and small scale is at least partially accountable in some cases, and exclusively accountable in other cases.

The presentation will discuss Australian Government service delivery in Tasmania and how it can be used to reflect the disability in Tasmania.

SARIA in the Tasmanian context

Accepting that Tasmania faces a location disability because of its unique population distribution, the question the Commission will be interested in will be whether the proposed use of SARIA will account for the disability.

Tasmania considers that the use of national average costs for SARIA regions may be appropriate for other jurisdictions where population distributions and sizes in various SARIA area classifications are more consistently aligned. However, applying these national average costs to Tasmania's different population distribution will not accurately reflect the disability faced in Tasmania. In particular, the high proportion of Tasmania's population that is considered 'Accessible' contains many small size communities where the cost of service delivery will be subject to many scale issues not apparent in the national average.

To demonstrate this, the presentation will focus on the difference between Tasmania's SARIA regions and the national average.

Relationship of Issues to CGC assessments

- Location (intrastate costs)

Workplace Discussion Session – Administrative Scale: The Expanding Role of Government

Time: 11am Monday 28 April 2008
 Venue: Treasury Building - Hobart

Agency Representatives:

Rebekah Burton, Deputy Secretary, Department of Premier and Cabinet
 Rhys Edwards, Deputy Secretary, Department of Premier and Cabinet

Major Issues

- Increasing National policy coordination
- Community expectations and the role of Government

Issues in Summary

Increasing National policy coordination

National policy coordination has been a feature of Australia's federal system since its inception. However, the degree to which policy coordination occurs has increased over time, as has the range and complexity of policy issues and associated responses.

The Department of Premier and Cabinet is the central agency in Tasmania which is responsible for coordinating Tasmania's role in national policy agendas. While portfolio Ministers and their line agencies are involved in their service specific issues, many of these issues require a coordinated whole-of-State involvement and response. Because of the position that DPAC holds, it is well placed to discuss the resource impact on a small state such as Tasmania.

The presentation will discuss the growing resource demands associated with increasing national policy coordination, particularly demands that flow from forums such as COAG, CAF and Ministerial Councils.

Community expectations and the role of Government

Partly driven by national policy agendas, changes in community expectations have increased the scope and complexity of Government services. This increase has resource implications for policy makers within both central agencies and line agencies, as there is a policy development and ongoing policy review role associated with new or more complex services (eg legislation, reporting, monitoring, consulting, etc).

The presentation will discuss examples of changes in community expectations and how this impacts on the fixed costs for Government.

Relationship of Issues to CGC assessments

- Administrative Scale

Workplace Discussion Session – Capital and Public Private Partnerships

Time: 1.45 pm Monday 28 April 2008
 Venue: Treasury Building - Hobart

Agency Representatives:

Tony Ferrall, Deputy Secretary, Budget and Finance Division, Treasury
 Peter White, Acting Manager Housing Strategy, Housing Tasmania, Department of Health and Human Services

Major Issues

- Direct versus indirect assessment of capital needs.
- Tasmania's capital needs and capital investment policy.
- Access to public private partnerships.

Issues in Summary

Capital needs assessment

Tasmania has previously expressed its preference for an operating statement-based approach to assessing capital, rather than a direct net lending-based approach. This has been for both conceptual and practical reasons.

In addition, Tasmania has been particularly concerned that, under a direct assessment, the Commission would recognise, as a 'given', population growth as the main driver of states' capital needs. In fact, the main argument put forward for adopting a direct method has been the high population growth, and apparently high new capital needs, of Queensland and Western Australia.

While population growth is an important factor, there are other significant determinants of capital needs. In Tasmania's case these include intrastate migration, demographic change, technological advancements, capital deepening, and changes in service delivery practices.

The Commission may have noted that the Budget data show low levels of capital expenditure in Tasmania for the past 10-15 years relative to other jurisdictions, and may be tempted to conclude that this reflects the State's relatively low population growth over that period. However, it is important to realise that the data reflects an explicit policy of successive State Governments over this period to eliminate the State's relatively large general government net debt. To achieve this target, a conscious decision was made to defer physical infrastructure investment so that the State could accumulate financial assets and retire debt.

This did not mean that the State did not have new capital needs during this period. In fact, because necessary infrastructure investment was deferred for a long period, Tasmania now faces an infrastructure backlog that will be costly to address, in addition to its current capital needs.

Caution should therefore be used when interpreting capital expenditure data for Tasmania and other states who have made fiscal policy choices to limit borrowings, despite underlying infrastructure needs.

Access to Public Private Partnerships

Although a secondary issue, it is important that any capital assessment recognise that Tasmania does not have the same access to the cost efficiencies that public private partnerships can deliver governments in infrastructure provision.

To date, Tasmania has not successfully initiated a PPP for the delivery of capital¹. As a small state lacking large scale infrastructure projects, Tasmania generally does not have access to this means of procurement. This lack of access became evident when Tasmania investigated the use of PPPs to deliver housing infrastructure.

Peter White will discuss work that Housing Tasmania undertook with Macquarie Bank in 2003 which was intended to:

- investigate the use of PPPs to deliver affordable housing infrastructure; and
- develop a broader PPP model that could be applied to other infrastructure projects in Tasmania and other small states.

The work undertaken with Macquarie Bank found the most significant problem related to the State's small scale and the difficulty of appropriately allocating risks.

The fact that Tasmania does not have suitable access to PPPs for procuring capital represents a material disadvantage to the State, given that PPPs have been shown to deliver cost savings to other states compared to traditional procurement. A recently released report by the Allen Consulting Group, for example, found that:

*"PPPs demonstrate clearly superior cost efficiency over Traditional procurement, which can range from 30.8 per cent when measured from project inception, to 11.4 per cent when measured from contractual commitment to the final outcome"*²

As PPPs now represent 10-15 per cent of the value of government infrastructure projects in Australia and are projected to grow in coming years, it will be important for the Commission's assessments to recognise that the cost savings delivered by PPPs are not available to Tasmania and other small states.

Relationship of issues to CGC assessments

- Physical capital

¹ Tasmania did engage a private company as part of its financing arrangements for the Risdon Prison Redevelopment. Whilst this technically made the Redevelopment a privately financed project, it was not a typical public private partnership. It did not follow the 'Build-Own-Operate-Transfer' or similar models most commonly adopted by other states.

² The Allen Consulting Group, *Performance of PPPs and Traditional Procurement in Australia*, final report, 30 November 2007.

Workplace Discussion Session - Roads

Time: 2.30pm Monday 28 April 2008
Venue: Treasury Building - Hobart

Agency Representatives:

David Peters, Deputy Secretary (Infrastructure), Department of Infrastructure, Energy and Resources (DIER)
David Spence, General Manager (Infrastructure Policy and Planning), DIER
Peter Todd, General Manager (Roads and Public Transport), DIER

The Road Network

DIER has custodianship of over 3 650 km of formed roads which is referred to as the State Road Network. It is a subset of a broader road network that focuses on connectivity and movement functions at State and regional levels.

The State Government manages the State Road Network according to the State Road hierarchy. Each road category is characterised by target conditions that reflect necessary levels of safety, efficiency and utility.

Major Issues

- Population settlement and economic characteristics
- Large urban footprint (Hobart)
- Nature of Tasmania's freight task
- Road use
- Physical environment

Issues in Summary

Population Settlement and Economic Characteristics

Tasmania's decentralised population, the dependence of southern business on northern Tasmanian ports and its forestry and tourism industries all present distinctive challenges for the road maintenance task.

Tasmania's primary ports are located in the north of the State, requiring significant land transport of freight to Hobart, in the south.

A lack of regularly serviced alternative transport modes means that conducting business generally requires more travel by road per capita than in other jurisdictions. Limited availability of rail transport also means that Tasmania's road system is subject to intensive use by heavy vehicles transporting goods to markets.

DIER will discuss these demographic and economic characteristics, including the implications of Tasmania's forestry and tourism industries for Tasmania's roads.

Large Urban Footprint (Hobart)

The relatively large urban footprint (the land over which its population is spread) of Hobart has significant implications for urban road maintenance.

Hobart's urban footprint is comparatively larger and greater per head of population than most cities. This, in part, reflects the geography, where population settlement is bounded by Mount Wellington and the Derwent River.

Tasmania has maintained that it is urban area that will determine the scope of the urban road network, rather than population. This is because road expenditure is driven by physical rather than demographic factors.

DIER will present a comparison between the urban footprint of Hobart and Wollongong, a city with a comparable population – where Hobart has approximately twice the urban area of Wollongong.

Nature of Tasmania's Freight Task

The freight task in Tasmania is not materially different from that of other jurisdictions, with the exception of the forestry freight task. Tasmania's heavy vehicle road freight task in tonnes per capita is comparable to other states. Tasmania's freight task is predicted to almost double by 2020.

Forestry is the largest contributor to Tasmania's land freight task. DIER will highlight the transitory nature of harvesting activity and the requirements that this places on Tasmanian roads to safely support the forestry freight task.

Road Use

Tasmania is heavily dependent on roads for the transport of goods and people around its decentralised population. This is evidenced through low utilisation of public transport, no passenger rail service and low rail freight capacity. In addition, Tasmania has an above average relative number of registered light vehicles.

DIER will discuss the implications of these characteristics for road usage in Tasmania and consider an appropriate measure of road use.

Physical Environment

Road construction standards and ongoing maintenance costs are not a policy choice of state governments. Rather, the class or type of road is influenced by safety, environmental and economic characteristics.

DIER will show that, in addition to road length and road use, the physical environment also impacts on road maintenance costs. Soil, sinuosity and climatic conditions place a substantial cost burden on the provision of roads in Tasmania.

Relationship of Issues to CGC assessments

- Roads

Workplace Discussion Session – Transport Services

Time: 2:30pm Monday 28 April 2008
 Venue: Treasury Building - Hobart

Agency Representatives:

John Pauley, General Manager, Passenger Transport, Department of Infrastructure, Energy and Resources

Tony Sim, Chief Executive Officer, Metro Tasmania

Public Transport in Tasmania

In Tasmania, the largest public transport subsidy payment is a single contract payment to the State's main bus service provider, Metro Tasmania. An additional payment is paid to Merseylink, the bus service provider in Devonport.

The primary purpose of this payment is to enable Metro Tasmania to provide a comprehensive timetabled bus service, with subsidised fares for all passengers, which would otherwise be almost completely uneconomic.

Major Issues

- Tasmania's small decentralised population and rugged topography
- The need to recognise concession status in the assessment
- Public transport in Tasmania has close, low cost, substitutes

Issues in Summary

Tasmania's small decentralised population and rugged topography

The provision of public transport in Tasmania is relatively costly due to its small decentralised population, ribbon development and particularly difficult terrain in Hobart, Launceston and Burnie.

Tasmania has four metropolitan centres, which represents the largest amount of non-capital city population decentralisation amongst jurisdictions.

The core issue in public transport is the need to provide a comprehensive seven day, including off-peak, service to the community. Critical mass is required to deliver frequent public transport services efficiently. Greater economies of scale, greater demand for public transport and more trip attractors (with public transport operating to strategic locations, such as CBDs, large shopping malls and tourist attractions) are key characteristics of very large urban areas. In this respect, larger urban areas, with greater population density, are advantaged on a per capita basis by a reduced need to provide operating subsidies.

Metro will discuss further how Tasmania's demographic and topographic characteristics pose considerable challenges in the provision of public transport services.

The need to recognise concession status in the assessment

Public transport in major cities focuses on the journey to work. The Tasmanian public transport system has a proportionately greater focus on meeting the needs of concession travellers and students, that is, providing a critical community service.

Tasmania has a higher proportion of its population in concession status groups such as the elderly, the unemployed, persons on low incomes, students and children compared to other states.

Factors reducing journey to work trips by public transport in Tasmania include low concentration of business activity in CBDs, especially in Launceston, Devonport and Burnie, which has diminished the pool of commuters who could use public transport.

Metro will discuss its client base and how this constrains its ability to raise revenue and increases the need for subsidy.

Public transport in Tasmania has close, low cost, substitutes

In Tasmania, revenue raising capacity of public transport operators is constrained due to close, low cost, substitutes. There is a requirement to provide public bus services despite commuter demand being relatively low, and elastic, due to competition from walking, cycling, and viable car use due to low parking costs and lower congestion.

Metro will discuss further the difficulties it faces with competition from alternative modes of transport.

Relationship of Issues to CGC assessments

- Transport Services

Workplace Discussion Session – Revenue and progressive tax rates

Time: 3:30pm Monday 28 April 2008
 Venue: Treasury Building - Hobart

Agency Representatives:
 Adrian Christian, Director, Intergovernment Financial Policy, Treasury

Major Issues

- Progressive tax rates and the notion of average policy
- Progressive tax rates and materiality

Issues in Summary

Progressive tax rates and the notion of average policy

Progressive tax rates are a uniform feature of conveyance duty across all states and are average policy in relation to land tax. Tasmania considers that there is no difference from a policy perspective in recognising progressive tax rates than there is in recognising tax free thresholds (which are effectively a progressive scale) and tax rates.

The Commission's 'inclination' to not recognise progressive tax rates seems to be inconsistent with its stated principles in relation to 'what states do' and observing 'policy neutrality', as opposed to making a 'policy free' judgement. Tasmania recognises that making 'Value Distribution Adjustments' adds another step to the Commission's assessments, but it is not complex and has never been controversial in the past. Removing the VDAs would make assessments only marginally simpler and would not be consistent anyway with the materiality principles.

Tasmania will use the presentation to explore why recognising progressive tax rates is consistent with its stated principles and the objectives of the 2010 Review.

Progressive tax rates and materiality

In the context of the preceding discussion, Tasmania will demonstrate that its modelling shows that removing progressive tax rates from its methodology would result in very significant redistribution impacts, that easily pass the materiality tests. Quite clearly, not recognising progressive tax rates would fail to take into account differences in states' revenue raising capacities.

Relationship of Issues to CGC assessments

- Land Tax
- Conveyance Duty

Workplace Discussion Session – Education in Tasmania Overview

Time: 9.30am Tuesday 29 April 2008
 Venue: Hobart College - Hobart

Agency Representatives:
 John Smyth, Secretary, Department of Education

Department of Education

The Department of Education is responsible for providing public education and training in Tasmania. This includes kindergarten, primary schools (prep through to year 10), colleges (years 11 and 12) and vocational education and training.

The Department provides services through four major organisational units:

- Early Years
- Learning Services and schools
- Skills Tasmania
- Information Services and Community Learning.

These services are delivered to more than 66,000 students attending 214 schools and colleges or utilising distance education programs. In addition, DoE operates 52 Public Libraries, 66 Online Access Centres, 9 Adult and Community Education Centres and the Archives Office of Tasmania. DoE also licences and regulates child care and administers post-compulsory qualifications through the Tasmanian Qualifications Authority. The service delivery areas are supported by central business units responsible for corporate support, policy development, regulation, and assessment and review.

Major Issues

- Strategic focus of the Department
- Major challenges

Issues in Summary

Strategic focus of the Department

The Department's strategic focus takes into account the economic and social benefits that education brings to the State. It seeks to maximise the education potential of individuals so that they can contribute to improving the State's productive capacity and contribute to its social wellbeing. It has a particular focus on bridging the education (and usually corresponding wealth) gap between the most disadvantaged individuals and the general community.

The Department has implemented three key strategies to deliver on its strategic focus:

- *The Student at the Centre;*

- Qualifications and Skills for Tasmania *Tomorrow*; and
- Community Knowledge Network

The presentation will provide a brief overview of these strategies and how they seek to address the education challenges in Tasmania.

Major challenges

The major challenges facing the delivery of education services in Tasmania relate to socio-economic status and where students are located. Socio-economic status will be discussed in more detail in a separate presentation.

Tasmania's decentralised population has an impact on where schools must be located in order that students can access education opportunities. The decentralised population also has implications for transporting students.

The Department uses a resource allocation methodology to resource schools. While student population drives most of the distribution, higher resource needs are provided for in recognition of the challenges posed by low-SES students and small scale, regional and rural schools that are a result of a decentralised population.

Tasmania's ageing population will mean that in coming years, the proportion and number of students will decline. This will mean that the number of schools Tasmania requires will decline. However, due to the decentralised population, the opportunity to rationalise schools will mostly apply to the urban areas of Hobart and Launceston, and to a lesser degree Devonport and Burnie.

The ageing population also has implications for Tasmania's education workforce.

The presentation will discuss the above challenges.

Relationship of Issues to CGC assessments

- Schools Education
- Post-secondary Education
- Socio-economic Status
- Location

Workplace Discussion Session – Post compulsory education and training

Time: 9.30am Tuesday 29 April 2008
 Venue: Hobart College - Hobart

Agency Representatives:

John Smyth, Secretary, Department of Education
 Mark Sayer, General Manager, Skills Tasmania

Major Issues

- Tasmania's demographic and socio-economic profile and the challenges it poses for training
- Training challenges with a small, decentralised population
- Tasmania *Tomorrow*

Issues in Summary

Tasmania's demographic profile and the challenge it poses for training

Tasmania's demographic and socio-economic profile is characterised by relatively high proportion of disadvantaged people with little or no skills, together with an ageing population. The implications of this profile are significant:

- The profile is, in part, both a contributor to, and a legacy of, Tasmania's low retention rate. One of Tasmania's challenges for some time has been to break the cycle of socio-economic disadvantage by encouraging students at risk of disengagement from education to remain in education or training, offering them practical pathways. Tasmania's focus on improving retention is the common policy of all states and it is now explicitly the focus of COAG;
- Tasmania needs more people to improve their skills and training, considering the already low participation rate which will be exacerbated by the implications of an ageing population and its impact on labour supply; and
- People who do participate in training and come from low SES backgrounds often require additional resources because of poor education and skill levels. Unemployed persons and workers with low skills in particular tend to require assistance with literacy and numeracy. Tasmania's challenge is to overcome these barriers and improve their skills so that productivity can be increased, and to do this in a socio-economic environment that is comparatively poorer than other jurisdictions.

The presentation will cover the service delivery challenge to encourage more young Tasmanian's to pursue post compulsory education and training pathways and to enable more Tasmanians to improve their skills and increase their productivity and participation. The presentation will also highlight the problems that face service deliverers in relation to helping low skilled/disadvantaged people.

Training challenges with a small, decentralised population

Although the Tasmanian workforce is relatively smaller than in other jurisdictions (as measured by the participation rate), the industry composition is broadly the same and, therefore, the State must ensure its education and training services can deliver the full range of skills that industry requires. When this is considered in the context of Tasmania's decentralised population, Tasmania faces quite a challenge to achieve economies of scale in class sizes.

Tasmania Tomorrow

The Qualifications and Skills for Tasmania *Tomorrow* initiative aims to address the challenges described above. Commencing in 2009, the initiative will see the creation of three new organisations from the existing network of colleges and TAFE Tasmania. The new organisations will include:

- an 'academy' focussed on academic learning, with a curriculum and pathway for Years 11 and 12 students seeking university entrance;
- a 'polytechnic' focussed on practical learning, with a vocational pathway, supported by academic courses, for Years 11 and 12 and mature-aged students seeking employment outcomes or university articulation; and
- a 'training enterprise' focussed on skills development for employees in enterprises, in line with their enterprise's skills needs.

The presentation will discuss further details of this initiative and how it seeks to address Tasmania's challenges.

Relationship of Issues to CGC assessments

- Schools Education
- Post-secondary Education
- Socio-demographic Composition

Workplace Discussion Session – Administrative Scale in Statutory Officer Positions

Time: 11.30am – Tuesday 29 April 2008
 Venue: Treasury Building - Hobart

Agency Representatives:

Dale Webster, Registrar, Mental Health Tribunal and Guardianship Administration Board

Department of Justice – statutory offices and other specialised positions

The Department of Justice administers and provides support for a number of independent statutory officer positions and other similarly specialised positions. The presenter, Dale Webster, provides support to three independent statutory officers and associated boards.

Major Issues

- Increases in fixed costs in the State justice system.
- Independent statutory officers and specialised senior managerial positions.
- Administrative scale costs in service delivery areas.

Issues in Summary

Increases in fixed costs

The scope and complexity of state government functions has increased in recent years, and this has led to an increase in the fixed costs of government. This is well illustrated by the expansion of functions in justice services in the past five to ten years, and the administrative costs incurred in supporting these functions.

Increase in independent statutory positions

Governments have recognised that they have an increased responsibility to provide services somewhat at 'arms length' to enable the community to seek independent reviews of government decisions, or to act in the best interests of an individual when they may not have the capacity to make an informed decision.

This has resulted in the establishment of a number of independent statutory positions in Tasmania, as in other states.

In Tasmania, where the skills are similar and there is not a potential conflict of interest, one person will sometimes undertake the functions of more than one of these positions. Despite these efficiencies, the per capita costs of these functions are substantial for a small state.

Other specialised positions

States also have a number of specialised managerial positions that are required regardless of a state's size. These positions tend to involve managerial and policy development functions as well as participation in national forums. The functions are more aligned with administrative scale type tasks rather than service delivery and in this sense are a fixed cost that must be incurred before any services are produced.

Policy development

One significant change has been an increasing co-operation between the states and territories in relation to consistency in policy, data collections, information sharing and a national approach to problem solving. While all states benefit from this co-operation, each state has equal responsibilities to contribute regardless of its size and the per capita cost of supporting these processes is greater for Tasmania.

In addition this policy work is not undertaken by head office staff but by staff within the output unit that are more familiar with service delivery issues and the information available. As a result there has been a shift from head office expenses to service delivery expenses in this policy work. It is important that any assessment of administrative scale recognise this change.

Relationship of issues to CGC assessments

- Justice services
- Administrative scale

Workplace Discussion Session – Wages Costs Custodial Officers and Legal Professionals

Time: 11.30am – Tuesday 29 April 2008
Venue: Treasury Building - Hobart

Agency Representatives:
Brian Smith, Deputy Secretary, Corporate Services, Department of Justice

Major Issues

- Wage parity agreements for justice services in Tasmania.

Issues in Summary

National labour markets, labour mobility and wage parity

Over recent years two significant issues have emerged relevant to public sector labour markets: the Australian population has become more mobile; and the increased cooperation between states and territories has increased awareness of differential pay rates for similar work undertaken.

As a result of these changes, state and territory governments have been required to increase consistency in wage rates to be able to attract appropriate people into the positions available. In addition, employee groups have been successful, when wage disputes have gone to arbitration, in arguing that people undertaking the same duties should not be remunerated differently because they choose to work in a different state.

As a result, in most employee groups in the public sector in Tasmania, some form of wage parity with other states has been established for state service employees. For the remaining state service employees that are not yet on parity based wage rates, the Government has entered into an agreement which has the stated goal of reaching wage rates based on a form of national parity in the near future.

As Deputy Secretary, Brian has been directly involved in recent wage negotiations with employee groups. Brian will provide details of recent negotiations and the outcomes of wage negotiations in relation to two major employee groups within the Department of Justice: Custodial Officers and the Legal Professionals. These negotiations have resulted in wage rates that have been based on some form of parity with other states.

Relationship of issues to CGC assessments

- Justice Services
- Interstate labour costs

Workplace Discussion Session – Social Economic Disadvantage and Schooling

Time: 2pm Tuesday 29 April 2008
 Venue: Brighton Council Chambers

Agency Representatives:

Jenny Gale, General Manager, Strategic Policy and Performance
 Kim Harvey, Principal, Cambridge Primary

Major Issues

- Tasmania's education performance - socio-economic disadvantage and learning outcomes.
- Bridgewater-Gagebrook – case study of the education challenge in a low SES environment
- The government / non-government education system divide and the resourcing challenge in Tasmania.
- Tasmania's decentralised population and location of schools – the need for rural schools.

Issues in Summary

Tasmania's education performance - socio-economic disadvantage and learning outcomes

Across a broad range of indicators, Tasmania consistently shows as having a greater proportion of its population that are from a disadvantaged or low SES background. There is a considerable body of evidence which shows a link between socio-economic status and learning outcomes. This link is demonstrated by the OECD's Programme for International Student Assessment (PISA), which shows education performance against an index of parents SES background that include economic, social and cultural resources. Tasmania performs poorly against the rest of Australia (and OECD countries).

The presentation will discuss Tasmania's overall SES profile and its education performance.

Bridgewater-Gagebrook – a case study of the education challenge in a low SES environment

The Bridgewater-Gagebrook area is an outer region of Hobart that is characterised by significant levels of disadvantage, as measured by a number of indicators.

The presentation will discuss the poor education outcomes in this area and how this reflects the experience of schools in other locations across the State. The focus of the presentation, however, will be on the challenges that are encountered in delivering education services in such an environment, including the additional resources that are required to address and overcome entrenched problems and

attitudes. The difference in the challenge of leading teaching in a low SES school versus a 'middle class' school will also be discussed so as to highlight the hidden educational impact of low SES.

The government / non-government education system divide and the resourcing challenge in Tasmania

The choice facing parents regarding whether to educate their children in the government or non-government sector is affected by their capacity to pay. As such, the relatively high proportion of low SES families in Tasmania effectively means that many families do not have a choice, and the public system is the only education system available to them.

For those that do have the financial resources to make a choice, state government policy plays little or no part in such decisions. Any government policy influences are predominantly driven by the Commonwealth, given its funding proportion relative to the State.

The presentation will discuss how the socio-economic profile of Tasmania is a factor which contributes to Tasmania's education funding challenge. From an education resourcing perspective, students who enrol in the Government sector represent a far higher per-capita cost than those who enrol in the non-government sector. With a high proportion of Tasmania's school aged cohort remaining within the Government sector, Tasmania supports a larger proportion of high-cost students than most other jurisdictions.

Tasmania's decentralised population and location of schools – the need for rural schools

It could be argued that a logical response to the significant number of small rural schools in Tasmania would be to rationalise some schools and consolidate delivery in fewer larger schools. Tasmania is pursuing a program to find schools that can be rationalised through amalgamation, but this does not translate into a practical response for many rural schools.

The presentation will discuss how schools represent an important Government service and community hub in rural population centres, supporting local working families and often supporting families who see rural living as a practical response to their personal economic circumstances. Providing access to an alternative school through public transport has its own practical shortcomings, both in relation to Tasmania's weather extremes and road conditions in remote localities and in relation to the cost and logistics of reasonable alternative transport strategies that people will accept.

Relationship of Issues to CGC assessments

- Schools Education
- Socio-demographic Composition
- Location

Workplace Discussion Session – Public (Population) Health

Time: 2pm Tuesday 29 April 2008
Venue: Bridgewater

Agency Representatives:

Roscoe Taylor, Director, Public Health, Department of Health and Human Services

Department of Health and Human Services – Population Health Services

Population Health objectives include - health protection, early detection, health promotion, and health maintenance of the Tasmanian population as a whole. Activities undertaken to achieve these objectives include:

- monitoring and promoting health through food safety, nutrition regulation, communicable disease prevention and control, radiation regulation, tobacco control, pharmaceutical services (drugs and poisons) and environmental health;
- the provision of BreastScreen services, the Cervical Cancer Prevention Program, Pap Smear Register and cancer control policy;
- preventing and reducing common population risk factors such as physical inactivity and poor nutrition, and addressing national health priorities including diabetes, cardio-vascular diseases, cancer, asthma and arthritis. Much of this work has a particular focus on population groups with special needs or which are at risk of poor health outcomes, and it supports programs and activities that promote improved health and wellbeing;
- monitoring the distribution and determinants of health and diseases, morbidity, injuries, disability and mortality in populations;
- the administration of the Needle Syringe Program through a variety of sites around Tasmania, including hospitals, community health centres, pharmacies and also through dedicated sites; and
- supporting the provision of integrated health care services through the ongoing identification, analysis and monitoring of key service drivers within the health and human services system.

Major Issues

- Socio-economic factors
- Demographic change
- Geographical influences

Issues in Summary

Low socio-economic status imposes higher demands (poorer health status, higher incidence of chronic health issues)

Tasmania faces a number of significant health disadvantages arising from social disadvantage, a higher prevalence of chronic disease risk factors and chronic conditions themselves, and a higher burden of disability and premature death.

Health risk factors are characteristics that are associated with an increased risk of developing a particular disease or condition. The major preventable behavioural risk factors for disease are smoking, inadequate physical activity, poor diet and nutrition, excess alcohol intake and overweight and obesity. Low socio-economic status populations are overrepresented in these areas.

Almost all the public health strategies aimed at reducing risk factors are more difficult to implement effectively within a low socio-economic environment.

Demographic change - Implications of population ageing

Tasmania is experiencing the effect of population ageing to a greater degree than other states and territories and this brings an increased burden of disease.

The prevalence of chronic conditions and associated need for health services increases significantly within older age groups, particularly after the age of 65 years³.

This has major implications for health care system costs, workforce issues and social impacts, including through reduced labour force productivity.

Small and decentralised population

Tasmania's geographically decentralised population increases the per capita cost of providing health care services as it reduces the 'economies of scale' realised within more geographically concentrated populations. In combination with the compounding influences of prevalence of risk factors and the burden of disease it also makes it more difficult to provide equitable access to service.

Relationship of Issues to CGC assessments

- Health assessments (resource allocation issues, users)
- Welfare and housing services (resource allocation, users)
- Location assessment

³ Borowski et al. Longevity and Social Change in Australia. UNSW Press. 2007.

Workplace Discussion Session – Oral Health Services Tasmania

Time: 2pm Tuesday 29 April 2008
 Venue: Bridgewater

Agency Representatives:

Mary Blackwood, Director (Oral Health Services Tasmania)
 Emma Bridge, Manager – Business and Service Development

Department of Health and Human Services – Oral Health Services Tasmania

DHHS delivers oral health services to the Tasmanian population through the Oral Health Services Tasmania business unit. Children's services are delivered from the major centres, plus 30 additional sites in urban and rural settings across the State. Services to adults are provided from the four major dental centres in Burnie, Devonport, Launceston and Hobart.

All Tasmanian children up to the age of eighteen years are eligible for public dental services. In addition, OHST provides the following services to Tasmanian adults who are holders of a health care card, or pensioner concession card:

- episodic care (the dentist treats the presenting symptoms only).
- general dental treatment; and
- prosthetic services (full or partial dentures).

Major Issues

- Socio-economic disadvantage.
- Provision of services to a small and decentralised population
- Ageing population impacts.
- Complex needs
- Workforce shortages

Issues in Summary

Low income and social disadvantage

Poor oral health is identified by the AIHW as being more prevalent in low income and socially disadvantaged communities. Within the Tasmanian context, low incomes, social disadvantage, a low private insurance rate and the expense of private dental care, combine to create significant demand for state-funded oral health services.

Small decentralised population and remote area impacts

Forty per cent of Tasmania's population under 18 years of age live outside of the regional centres of Hobart, Launceston, Burnie and Devonport (ABS Census, 2006). Accordingly, children's therapy clinics have been placed in 34 different towns and

suburbs. The distribution of care points is justified within the clinical prevention context, but adds to the costs of service delivery.

OHST provides adult dental clinics in the regional centres of Hobart, Launceston, Burnie and Devonport. Some additional services are provided on the Bass Strait Islands and by contracted private providers in other locations. Clients must have concession cards and travel to these centres for treatment. OHST manages adult demand through a triage process, waiting lists and use of client co-payments. Clients requesting emergency care are triaged according to clinical need. Clients that require general care are placed on a waiting list.

Oral health costs are also higher due to the absence of fluoridation in smaller localities/rural balance (contributing to a higher rate of tooth decay and associated dental problems).

Ageing population

Age leads to increased periodontal diseases, oral cancers and greater need for dental maintenance (National Oral Health Plan, 2004). Eligibility for pensioner concession cards, (and therefore eligibility for OHST services) is directly linked to the age profile. Tasmania's population over 65 years of age is projected to increase significantly.

OHST is planning for the effect of these demographic shifts in its service development approaches. The most significant impact will be on adult dental services, particularly prosthetic services.

Complex needs

Access to specialist dentists is limited by the lack of training facilities. Tasmanians with complex needs require resource intensive care, putting added strain on the delivery of public dental services.

Workforce issues

Tasmania's small population means that providing a tertiary training facility for a full degree program for oral health professionals is not viable. Tasmania has workforce shortages in both the private and public dental services relative to all other states, with the exception of the Northern Territory. This has led to a focus on emergency or priority care for adult Tasmanians at the expense of preventative care. It is difficult to attract or retain dentists as case after case of emergency dentistry with little opportunity for restorative care is unattractive to most dentists. Due to public sector workforce shortages, OHST has also developed a reliance on funding the private sector to provide services. This is a more expensive service delivery option.

Relationship of Issues to CGC assessments

- Community and other health services
- Location

Workplace Discussion Session – Housing Tasmania

Time: 2pm Tuesday 29 April 2008
 Venue: Bridgewater

Agency Representatives:

Mercia Bresnehan, Director, Housing Tasmania
 Peter White, Acting Manager Housing Strategy, Housing Tasmania

Department of Health and Human Services – Housing Tasmania

The scope of services provided by Housing Tasmania include public housing; assistance to private renters; emergency accommodation; home ownership assistance; Indigenous housing; community housing; and supported housing products. Within this service range, public housing services is the primary/dominant activity.

The provision of services is coordinated through a series of service outlets (in the Hobart CBD, at George Town in the north and Devonport in the northwest) and service hubs (in Clarence on Hobart's Eastern shore, Glenorchy, in Hobart's north-western suburbs, Launceston in the north and Burnie in the northwest).

Major Issues

- Demand for public housing outstrips supply
- Complex and/or multiple needs
- Housing stock issues

Issues in Summary

Demand for public housing outstrips supply and there is a long waiting list

Tasmania has a comparatively high incidence of low income families, long-term unemployment and welfare dependence, and hence a comparatively large proportion of households in circumstances which meet the public housing eligibility criteria. Demand for public housing in Tasmania is high.

Additional impacts due to complex needs (ageing, disabled and other)

The profile of public housing tenants in Tasmania is increasingly characterised by people with complex and/or multiple needs (aged, disabled or other).

Older Tasmanians, particularly those on aged pensions, are over-represented in public housing compared with the broader population. While the same is true for other jurisdictions, it is a relatively greater demand pressure for Tasmania because the State has the oldest and most rapidly ageing population.

Tasmania has the highest rate of disability, which increases housing services demand and cost, as disabled tenants, including recipients of disability support

pensions, are over-represented in public housing. Suitable accommodation and support for disabled tenants is particularly expensive.

Housing stock issues

The costs of providing housing services in Tasmania are comparatively high due to diseconomies of scale, lack of competition within the private sector and the high costs of providing assistance to a decentralised population.

The number of households in Tasmania is increasing, although the population is growing slowly relative to Australia as a whole. The average household size is projected to become the smallest of all states and territories by 2011⁴. These trends impact on demand for housing services and rental income, and create housing stock mismatches as the proportions of lone person and single parent households within public housing increase.

Relationship of Issues to CGC assessments

- Welfare and Housing Assessment
- Capital

⁴ Australian Bureau of Statistics. 2006. Census Tables 2006.

Workplace Discussion Session – Socio-economic disadvantage and the link to offending

Time: 2pm Tuesday 29 April 2008
Venue: Brighton Council Chambers

Agency Representatives:

Darren Hine, Acting Deputy Commissioner, Crime and Operations
Glen Woolley, Inspector, Bridgewater Division
Vanessa Goodwin, Project Manager, Executive Support and Secretariat
Scott Wilson-Haffenden, Director, Corporate Services

Bridgewater Police Station (Eastern District)

As well as policing the highly disadvantaged Bridgewater-Gagebrook area, Bridgewater Police Station is the gateway to the Styx Valley, an area that is the focus of significant forest protest activity.

Major Issues

- Social and economic disadvantage in Tasmania.
- Policing disadvantaged communities.

Issues in Summary

As discussed in the overview presentation, the Bridgewater-Gagebrook area is highly disadvantaged according to almost every socio-economic indicator available. The rate of offending in the area is significantly higher than in most other areas of Tasmania. This is not surprising given that, across Tasmania, we find that police, criminal court and prison data show a strong link between the socio-economic status of a person's place of residence and their propensity to offend.

However, the mechanics of the link between SES and offending are less clear. Tasmania Police will discuss some of its data and research on this topic and explain how living in an environment of social and economic deprivation can, without intervention, ultimately translate into a much greater likelihood to offend. The discussion will focus on the often cyclical and intergenerational nature of economic disadvantage, social dysfunction and crime.

Police will discuss how they respond to the challenges in Bridgewater and other similarly disadvantaged communities. In addition to providing more resources to areas of low SES, Tasmania Police now focus on early intervention and the diversion of young people away from the court system wherever possible. However, this approach, which is a more recent innovation, is both challenging and resource intensive.

Relationship of issues to CGC assessments

- Justice services
- Socio-demographic composition (Socio-economic status)

Workplace Discussion Session – Other policing issues

Time: 2pm Tuesday 29 April 2008
 Venue: Brighton Council Chambers

Agency Representatives:

Darren Hine, Acting Deputy Commissioner, Crime and Operations
 Glen Woolley, Inspector, Bridgewater Division
 Scott Wilson-Haffenden, Director, Corporate Services

Major Issues

- Administrative, training and other fixed costs
- National influences and obligations
- Wage costs
- Organised crime in Tasmania
- Remoteness and permanence of protest sites

Issues in Summary

Fixed costs

Operating a police force in Tasmania incurs the same fixed costs as in all other states. On a per capita basis, these costs are relatively high. Examples of these fixed costs include the academy and facilities for training highly specialised staff, head office and policy area costs, specialised equipment (eg DNA laboratories), and the basic infrastructure associated with these activities.

National influences and obligations

Similarly, there has been an increase in recent years in national co-operation between jurisdictions on a diverse range of activities and programs (eg CrimTrac, counter-terrorism capability, national data collection and reporting). Once again, Tasmania's participation in these national activities is non-discretionary and is relatively costly on a per capita basis.

Wage costs

As is now the case in many professions, a national and highly mobile labour market has emerged for police officers. In order to recruit and retain staff, Tasmania is obliged to pay wage rates comparable to other states. Police salaries in Tasmania have risen by 51% over six years as the State has moved to an agreement based on parity with officers in other states.

Organised crime

There has traditionally been a perception that organised crime is concentrated in Australia's largest cities and is generally uncommon in small states. This has changed significantly in the past five to ten years with recent investigations in Tasmania uncovering significant organised criminal operations, often with links to other states. Tasmania will discuss the recent Operation Elude, a Tasmanian-initiated multi-jurisdictional effort which resulted in the disruption of a significant importation and amphetamine trafficking syndicate, leading to multiple arrests and large drug seizures in Tasmania and two other states.

Forestry protests

Tasmania's large forestry industry dominates much of the State's environmental and political landscape. Forestry protests in Tasmania tend to be confrontational and often involve threats to the safety of protesters and emergency service workers, disruption to forestry operations and significant property damage to expensive equipment. The police must therefore deploy significant resources to such incidents, almost all of which are in remote and inaccessible locations. Many protests are prolonged and some protest sites can be manned for months or even years. The 'nationalisation' of protest action frequently sees the temporary migration of large numbers of protesters from across the country – such situations place a significant burden on Tasmania's relatively small police force.

Relationship of issues to CGC assessments

- Justice services
- Public safety and emergency management services
- Administrative scale
- Location

Workplace Discussion Session – Economic Disadvantage and Demand for Justice Services

Time: 8.50am – Wednesday 30 April 2008
 Venue: Treasury Building - Hobart

Agency Representatives:

Marja Elizabeth, Manager, Community Corrections, Department of Justice
 Rob White, Professor of Sociology, University of Tasmania

Department of Justice – Community Corrections

Community Corrections aims to enable people who are found guilty of offences to achieve socially responsible behaviour within family and the community, paying particular attention to the principles of restorative justice.

Major Issues

- Link between socio-economic disadvantage and crime
- Demand for justice services

Issues in Summary

Socio-economic status

The circumstances that drive some individuals to offend are complex and many. However, some population groups are clearly over-represented in the justice system, particularly people who come from backgrounds of economic and social disadvantage.

One of Professor Rob White's research interests is criminology. Rob will provide information which demonstrates the over representation of those with low socio-economic status in corrections nationally and internationally.

Marja will present data from Tasmania which demonstrates the over representation of offenders from low socio-economic backgrounds in corrections in Tasmania.

The relationship between socio-economic status and offending has a significant impact on the demand for services across the justice system, including corrective services, criminal courts and the administration of justice.

Demand for justice services

The Department of Justice has little control over the demand for its services as referrals to services are generally made by others or by statutory requirements and service providers must respond irrespective of resource allocations.

It should be noted that like most jurisdictions, Tasmania has experienced a reduction in the level of reported crime over the past 10 years. However, over that period the prison population has doubled and demand for community based supervision has

increased significantly. The most significant reason for the increase has been attributed to an increase in the ability of Police to identify and convict the offender. Improvements in forensic related technology such as DNA testing have contributed to this improvement.

The presentation will include some discussion of how the Department allocates its resources. Resource allocation decisions at a regional level are often difficult, particularly in a small state where variations from year to year can vary significantly and are not usually in line with predictable demographic changes. Decisions tend to be based on the experiences of recent years rather than the analysis of population characteristics.

Relationship of issues to CGC assessments

- Justice Services
- Socio-demographic composition (socio-economic status)

Workplace Discussion Session – Clinical Services Plan

Time: 2pm Wednesday 30 April 2008
 Venue: Launceston General Hospital

Agency Representatives:

Catherine Katz, Deputy Secretary, Acute Health Services
 Peter Renshaw, Director, Clinical Services, Launceston General Hospital

Department of Health and Human Services – Clinical Services Plan

In May 2007 the Minister for Health and Human Services released *Tasmania's Health Plan*, which provides a blueprint for the integrated development of acute and primary health services as detailed in the Clinical Services and the Primary Health Services Plans respectively.

The Clinical Services Plan provides a framework to establish Tasmanian public hospital services on a sustainable basis into the future, both in terms of budget affordability and workforce availability. Key planning considerations include having a minimum critical mass of patients available to sustain a service at a site and the ability to provide safe and sustainable rosters of specialist staff.

Challenges which the Clinical Services Plan seeks to integrate

- a small and decentralised population;
- poor health status;
- workload issues for professional workforce;
- costly technology impacts.

What is the Clinical Services Plan, how was it developed?

The Clinical Services Plan details how acute hospital services will be configured based on a defined service capability framework. Its development involved a comprehensive review of activity levels by age, location, types of hospital stays and by service-related groups over a five-year period. These activity levels were also projected forward 15 years using population by five-year age groups, by sex and by local government area, but holding all other variables constant. This enabled the development of a map of future service utilisation.

The activity modelling for the Clinical Services Plan allowed a range of scenarios to be developed based on a range of assumptions (see Clinical Services Plan Appendices) including:

- past and projected population by region of residence;
- past and projected state admission rates;
- past and projected relative utilisation;
- past and projected average length of stay for overnight separations;
- adjustment for fertility rates and projected neonatal and obstetrics activity; and

- current and proposed referral patterns.

This approach allowed future demographic change across Tasmania to be mapped based not only on current rates of activity, but also on highlighted areas where improvements could be made to ensure the delivery of high quality and safe services. In addition, the modelling showed areas where services should be rationalised to provide sustainable state-wide services for some specialities.

The Clinical Services Plan is under revision as a result of the Australian Government's take over of the Mersey Hospital. This review is scheduled to be completed in May 2008.

The design of services in this Plan is based on the following premises:

- public resources for health services will always be limited;
- responsible budgetary management requires government to make transparent and evidence based decisions on priorities;
- both Government and the community aim to achieve the best possible value for public expenditure, so that the greatest community benefit can be achieved; and
- some services, because of their remoteness or special local factors, inevitably will cost more than equivalent services delivered in other locations. Responsible planning, however, requires that an assessment is made of whether significant additional costs incurred to provide services in particular settings are justified by a corresponding health benefit.

This plan has two broad components:

- a capability framework that defines the roles of the hospitals, including principles for state-wide and single services and a network governance structure to manage the delivery of services; and
- a structural mechanism to integrate the hospital services with primary care.

The service capability framework provides a way for clinical services to be categorised according to whether they are provided locally to a hospital's immediate referral population or whether they are provided to a broader referral population.

Relationship to CGC assessments

- Admitted patients – Hospital Costs (location) assessment
- Admitted patients – Use and cost drivers (socio-demographic composition)

Workplace Discussion Session – Department of Health and Human Services Workforce Issues

Time: 2pm Wednesday 30 April 2008
Venue: Launceston General Hospital

Agency Representatives:

Catherine Katz, Deputy Secretary, Acute Health Services

Workforce issues

Ensuring a sustainable workforce is a major challenge for the State's health system. Tasmania's capacity to deliver health services is constrained by national workforce shortages and imbalances between the states. Doctors, allied health and specialist nursing staff are a highly sought after and mobile workforce. Tasmania needs to remain nationally and internationally competitive in its recruitment and retention strategies and remuneration. Due to Tasmania's ageing health workforce, there is also a need for on-going recruitment if future workforce shortages are to be avoided.

Major Issues

- recruitment and retention issues impacting Tasmania.
- recruitment in a global market and to national standards

Issues in summary

The six main factors that determine how high health workforce costs are have both a demand and supply dimension.

1. Demand: population characteristics and needs:
 - Australia's oldest population;
 - Dispersed across many small population centres; and
 - Relatively low socioeconomic status.
2. Supply: diminishing workforce availability:
 - Size: Tasmania's small population – including diminished cohorts of training and working age persons - affects ability to generate supply and achieve economies of scale or critical mass;
 - Isolation: Tasmania's island status – costs in terms of workforce attraction and retention; and
 - Lifestyle: workforce choices impact on supply.

As a result of these demand and supply factors Tasmania struggles to supply its own needs in terms of a professional health workforce. Many shortages currently exist.

Recruitment and retention influences impacting Tasmania

There are fewer young Tasmanians, particularly in the training and working age cohorts (emigration of younger individuals significantly reduces workforce entrants).

Tasmania is not able to offer training in the full range of health undergraduate disciplines (only four of the 21 allied health occupations are able to be trained here).

The health sector has a limited capacity to support rural clinical placements.

Students whose chosen health profession requires them to go interstate to train often then do not return. Even significant increases in anticipatory training would be unlikely to proportionately benefit Tasmania.

Professional development required to retain registration, and to develop skills and career opportunities can be problematic, particularly in regional Tasmania. Professional development through career progression is also an issue for some occupations.

Many of Tasmania's specialist services are small units that provide services in a range of locations. The loss of a key staff member can have a domino effect. Small service continuity can be jeopardised in extreme cases.

Ongoing recruitment issues are often managed through the use of high cost locums. Recruiting staff to Tasmania is difficult - particularly in relation to creating critical mass for "centres of excellence" that act as a magnet to good practitioners in medicine, nursing, and allied health professions.

Opportunities for lucrative private practice are fewer for some specialties than in more major centres and this too can adversely impact the "take up" of positions.

Recruiting in a global market and to national standards

Salaries and conditions offered to local graduates need to be (at least) comparable to those offered elsewhere.

The need to recruit outside Tasmania also results in direct recruitment and ongoing salary package costs for each position.

Short stays are relatively common in allied health and medicine, as well as some areas within nursing. This turnover contributes to recruitment costs.

Many people consider Tasmania to be remote and providing for fewer opportunities. Tasmania has to compete with other jurisdictions where training and promotional opportunities may be greater, co-location of subspecialties provide opportunities for advancement and volume of particular types of cases are sufficient to maintain interest or assist in gaining volume/competence based qualifications.

Relationship of Issues to CGC assessments

- Location assessment

Workplace Discussion Session – Disability Services

Time: 2pm Wednesday 30 April 2008
 Venue: Launceston General Hospital

Agency Representatives:
 Alison Jacob, Deputy Secretary, Human Services

Department of Health and Human Services – Disability Services

Disability Services is a state-wide program that provides ongoing and short-term specialist services to people with disabilities across the three regional areas (South, North and North West).

The activities and responsibilities of Disability Services are largely determined by a range of legislation and national agreements. The more significant influences on the operations of the Disability Services Program include the Commonwealth State Territory Disability Agreement (CSTDA) and the requirements under the *Tasmanian Disability Services Act 1992*.

In compliance with the provisions of the *Tasmanian Disability Services Act 1992*, the scope of the Disability Services client base encompasses all major disability types, including intellectual disability, developmental delay, sensory, physical, psychiatric and acquired brain injury. This scope is broadly consistent with that of other jurisdictions' equivalent legislation.

Disability Services currently provides services to approximately 3 600 clients on any given day. The current annual budget allocation is approximately \$122 million, with 82 per cent (\$100 million) being provided by the Tasmanian government and 18 per cent being provided by the Australian Government through the third CSTDA. As at January 2008 there were substantial waiting lists with over 440 people waiting for a range of services.

Disability Services is currently undergoing an external review.

Major Issues

- Comparatively large and growing disabled population
- Ageing workforce and carer populations
- Small and decentralised population

Issues in Summary

Growth in the disabled population

Tasmania has the highest rate of disability in Australia, at 23.5 per cent (ABS *Survey of Disability, Ageing and Carers* [2003]). As the likelihood of disability increases with

age, and with Tasmania having the most rapidly ageing population, the proportion of people with profound/severe disabilities will increasingly impact on demand for specialist disability services as well as other health and human services.

Improvements in medical technology have also resulted in increased demand for services for children who have survived birth trauma, elderly frail clients with increasing medical support and intervention needs, and younger adults with high and complex support needs resulting from survival of traumatic accidents and substance abuse.

Non-demographic demand growth (increased support needs) reflects existing clients (already in the system) who, for specific reasons associated with ageing, medical conditions or challenging behaviours, require significant increases in support levels to be provided.

An expanding client group has seen more complex and high cost clients entering the service system, which has created (and will continue to create) budget pressures and also issues around equity and access to services.

Impacts of ageing carer and workforce populations

Also as a result of the general ageing of the population, ageing carers will be less able to provide informal support, requiring the increased provision of formal supports.

The ageing population is further expected to significantly impact on the disability workforce in Tasmania by reducing the traditional workforce pool, thus creating challenges in terms of the capacity to attract and retain experienced and qualified staff, and through the need to create structures to support an older workforce.

Small and decentralised population

The total population impacted by a disability appears to be equally and evenly spread across Tasmania. This wide dispersal of clients across rural areas increases the cost and complexity of service delivery.

Difficulties also arise in terms of attracting and retaining appropriately trained and/or qualified staff and the availability of mainstream primary health services in local communities (economy of scale issue).

Relationship of Issues to CGC assessments

- Welfare and housing assessment
- Location assessment

Workplace Discussion Session – Primary Health

Time: 9.30 Thursday 1 May 2008
 Venue: Scottsdale

Agency Representatives:
 Pip Leedham, Director, Primary Health Services
 Phil Morris, Area Manager, North

Department of Health and Human Services – Primary Health Services

Primary health services aim to maintain and support people in the community and prevent admission to acute care.

While there is a particular focus in Tasmania on providing services through community health centres and multipurpose services in rural and remote communities, services are also delivered from a range of urban sites. Services vary from site to site based on community need and accessibility to similar alternative services provided by government or a non-government provider.

Small sites provide a limited range of services, generally based around community nursing. Community Health Centres offer a broader range of services to the community while rural hospitals (including multi-purpose centres/services) provide inpatient care and, at a number of locations, residential aged care services where there is no viable local provider.

Primary health sites are also used by other health professionals, both government and private providers to deliver a range of health services as an outreach from the major metropolitan areas.

Major Issues

- primary health workforce shortages.
- the compounding impacts of ageing, a decentralised population, and poor transport accessibility.
- re-targeting primary health resources to meet emerging needs sustainably.

Issues in summary

Workforce Shortages

Recruitment and retention of staff is a challenge, particularly allied health staff, which make up 13 per cent of Primary Health's overall staffing.

Staff turnover is relatively high at a number of sites as a result of retirements and resignations. The number of retirements is expected to increase significantly in coming years reflecting the age profile of Tasmanian primary health workers.

National and international competition for staff and the difficulties of working in isolation in rural areas reduces the attractiveness of positions.

The increasing use of locum staff results in substantially higher staffing costs and can potentially compromise quality and safety of care provision.

On-costs, such as training and development and relief, for staff in rural areas are also substantially higher than in metropolitan areas.

Maintaining the community's access to GP services is fundamental to the provision of an appropriate health system. The Department is providing substantial additional subsidies in some areas that have traditionally been funded through the Medicare Benefits Schedule (MBS) payments to private medical practitioners. There are currently 17 communities receiving various supports from the Department to assist in maintaining GP services.

Ageing and Decentralised Nature of Tasmania's Population

The majority of Tasmania's older population resides outside the capital city. The projected increase of an ageing population in rural areas presents significant challenges for the provision of appropriate health services locally and facilitating access to specialist health services (which are increasingly more centralised).

Tasmania's small and decentralised population does not provide the basis for even a basic rural public transport system. There is no passenger rail service in Tasmania. Bus services are limited. There are many communities without regular public transport. Even transport between major metropolitan areas is restrictive, both in travel time and timing of the service. Difficulties of access due to ageing, topography and limited public or community transport all combine to present a real challenge to maintaining health for an ageing population in Tasmania's rural communities.

Re-targeting resources to meet emerging needs on a future sustainable basis

In 2007, the *Primary Health Services Plan* was released under the umbrella of *Tasmania's Health Plan*. It provides a blueprint for the organisation of primary health services on a sustainable base. The approach and analysis underpinning this Plan is similar to that underpinning the *Clinical Services Plan*. The *Primary Health Plan* addresses the non-sustainability of the current service in the context of changing demand pressures and provides an opportunity to address the health needs of an ageing population and the prevalence of chronic disease within the State. It focuses on a multidisciplinary approach to the delivery of care and it is premised on integration and collaboration between service providers and, in particular, with general practitioners.

Relationship of Issues to CGC assessments

- Community and other health services
- Location

Workplace Discussion Session – Ambulance services

Time: 9.30am Thursday 1 May 2008
Venue: Scottsdale

Agency Representatives:

Grant Lennox, CEO, Tasmanian Ambulance Service
Wolfgang Rechberger, Regional Superintendent

Department of Health and Human Services – Ambulance Services

The Tasmanian Ambulance Service provides emergency ambulance care, wilderness rescue and transport services, a non-emergency patient transport service and fixed-wing and helicopter air ambulance services through a network of 47 stations State-wide. Tasmania relies on volunteers in 23 wholly volunteer stations, 3 first response locations, and 14 stations where volunteers support paramedics, out of a total of 50 response locations. It should also be noted that stations operate as a hub and spoke model around each of the major acute public hospitals.

Major Issues

- small, decentralised population
- impacts of ageing population and chronic disease management
- workforce issues

Issues in summary

Small and decentralised population

A key driver of ambulance services is the distribution of the rural/urban population proportions, in tandem with topography, and road and transport infrastructure constraints.

Tasmania also has a greater coastline (4 882 kilometres) than Victoria (2 512 kilometres) and NSW (2 137 kilometres) put together. This, in combination with a high rate of boat ownership and recreational and commercial fishing levels, creates an above average proportion of off-shore response needs.

As a small state, Tasmania is also unable to support the provision of some super specialities within its hospital system which then requires these patients to be transported interstate.

Provision and maintenance of ambulance services is impacted by the additional costs of air freighting medical supplies from their source of manufacture or import (generally Sydney or Melbourne) and the need to contract-in interstate technicians to maintain equipment that is not serviceable locally (for example, stretchers, defibrillators).

Tasmania's topography also means that an extensive radio network is required. As a result, the cost of radio infrastructure, maintenance and operating costs are higher than in most other jurisdictions.

Ageing population impacts

Ambulance utilisation rates combined with the urgency category are key drivers in the delivery of services. Service demand by urgency category is driven by the general health status of the population, the prevalence of chronic disease and population ageing. Ageing of the population is a key service driver in Tasmania because people over 65 years access ambulance services at four times the rate of other age groups – the same rate as for hospital services.

Total ambulance responses are trending upwards over time. It is anticipated that this trend will accelerate as the management of chronic diseases shifts to community settings.

Workforce issues

Workforce recruitment and retention present another challenge. For example there are higher costs for rural staffing associated with recruitment and retention. There are also additional costs associated with training of personnel in rural and remote areas.

Relationship of Issues to CGC assessments

- Health assessments (Admitted patients or Community and Other Health)
- Location

Workplace Discussion Session – Marine Policing

Time: 1.40 pm Thursday 1 May 2008
Venue: Break O’Day Council Chambers, St Helens

Agency Representatives:

Shane Lefevre, Inspector, St Helens Police Station
Ross Paine, Inspector, Marine and Rescue Services
Scott Wilson-Haffenden, Director, Corporate Services

Tasmania Police – Marine Services

Marine Services is responsible for enforcing fisheries and marine safety laws as well as providing a water-borne capability for search and rescue operations.

Tasmania is the only state in Australia where responsibility for the enforcement of the fishery laws protecting the living marine resources of the Commonwealth and State is vested with Police.

Major Issues

- Extensive length of Tasmanian coastline.
- Remoteness of patrolled waters.
- Prevention and policing of criminal activity in the fishing industry.

Issues in Summary

Tasmania is responsible for policing a comparatively large area of water. Tasmania has 4,882 kilometres of coastline, which is greater than the total length of coastline of New South Wales and Victoria combined⁵. In addition, Tasmania is responsible for policing most of Bass Strait (up to 14 km from the Victorian coastline).

The high value of Tasmania’s fish and shellfish industries, particularly abalone, means that they are a target for poaching, with offenders ranging from recreational fishers to highly organised crime syndicates.

As a result of the above, Tasmania’s marine policing task is extensive in both absolute and per capita terms, and it is non-discretionary. As well as patrolling for illegal activity, Tasmania Police undertake a large number of sea-based inspections throughout the State’s waters. Police also devote considerable resources to the investigation of criminal activity in the commercial and recreational fishing sectors, sometimes in conjunction with national crime authorities. The State’s marine fleet resources are also used for search and rescue operations where necessary.

⁵ Australian Bureau of Statistics, *Year Book Australia 2008* (cat no 1301.0).

Maintaining Tasmania Police's fleet of 38 vessels, and operating them in often highly remote and rough waters, is expensive. Approximately 40 FTE positions operate from eight units located around the state. Marine policing requires highly specialised personnel and salary and ongoing training costs are therefore high.

In addition, marine police use an increasingly sophisticated range of new sea and land based technologies. As is the case in many areas of policing, new technology improves the ability to intercept and prosecute offenders, but the up-front and operating costs are extremely high, particularly for a small state such as Tasmania.

Relationship of issues to CGC assessments

- Justice services
- Public safety and emergency management services
- Location (interstate and intrastate labour and non-labour costs)
- Fixed costs

Workplace Discussion Session – Policing small communities

Time: 1.40 pm Thursday 1 May 2008
 Venue: Break O'Day Council Chambers, St Helens

Agency Representatives:
 Shane Lefevre, Inspector, St Helens Police Station
 Scott Wilson-Haffenden, Director, Corporate Services

Major Issues

- Problems specific to St Helens and other small or isolated localities.
- Diseconomies of small scale and other difficulties in service delivery.

Issues in Summary

Tasmania's highly decentralised population, and the isolation of many of its small communities, presents special challenges for maintaining a local police presence. More than half of Tasmania's 74 police stations are one or two person stations. The operating costs of these stations are high in terms of the population they serve. Special skill sets are required in remote areas and, despite the additional allowances and fringe benefits provided for remote area staff, filling positions is difficult.

Despite the relatively high cost of providing local police stations in small or remote areas, small stations generally have the capacity to provide a basic level of police services only. More complex services (eg forensic services), when needed, must be dispatched from larger centres. Thus expense data on police stations in Tasmania is likely to understate the extent of service delivery scale disadvantages.

In addition, many small communities in Tasmania have fluctuating populations and itinerant communities (eg West Coast mining towns, East Coast fishing spots, holiday season increases and fruit picking workforces) and this makes infrastructure planning and resource allocation difficult.

There is little scope for rationalisation of police services in Tasmania, given the need for reasonable response times in emergencies and community expectations of a local police presence.

Tasmania will use this presentation to discuss some of the specific issues relevant to small communities such as St Helens, including relatively high unemployment and related social issues such as drug and alcohol abuse and family violence.

Relationship of issues to CGC assessments

- Justice services
- Public safety and emergency management services
- Location (intrastate labour and non-labour costs)