

SOUTH AUSTRALIAN DEPARTMENT OF TREASURY AND FINANCE COMMENTS ON THE NEW ISSUES FOR THE 2018 UPDATE – FURTHER CONSULTATIONS STAFF DISCUSSION PAPER (CGC 2017-23-S)

South Australia welcomes the opportunity to comment on the *New Issues for the 2018 Update – Further Consultations* paper (New Issues paper).

Estimated Resident Population (ERP)

In our submission on the original New Issues paper, South Australia supported the use of the Australian Bureau of Statistics' (ABS's) published ERPs from June 2016 onwards and deriving State ERPs for estimates before June 2016 using the published components of growth (births, deaths and net migration). This position was subject to confirmation from the ABS that the best estimate of population growth is obtained by excluding the intercensal discrepancy.

South Australia notes that unlike its position following the 2011 Census, the ABS has not provided endorsement for an adjusted ERP series for years before June 2016 based on published components of growth. The ABS believes that 2011 and 2016 Censuses are methodologically comparable and that the intercensal difference could reflect an error in one or more of:

- the 2011 levels
- the 2016 levels
- the measures of growth

No one factor has been identified by the ABS as being the main driver of the difference resulting in the ABS continuing its usual practice of assigning the intercensal difference evenly across the intercensal period.

For the purposes of determining population growth for the Investment and Net Lending assessments the CGC no longer has the in-principle support of the ABS to justify an adjusted population series for the intercensal years.

South Australia believes that the CGC should base its population related calculations on data and advice endorsed by the ABS. The ABS is the official institution for determining population estimates and has deemed its published data as fit-for-purpose. Any proposal to use alternative population growth approaches should have ABS endorsement.

Accordingly, South Australia is now of the view that population growth in each year should be measured by the change from the closing population in the previous year. This would include the intercensal adjustment.

New census data in the health assessment

South Australia notes the need for the Commission to use 2016 defined measures of socio-economic status for the Indigenous and non-Indigenous populations.

Wages assessment

South Australia notes the wage assessment regression results.

Wages assessment – Commonwealth Superannuation Scheme Adjustment

South Australia continues to support the Commission applying its supporting principles and exercising its judgement to determine the appropriate treatment of Commonwealth Superannuation Scheme adjustments.

Remote Indigenous Housing

South Australia supports the staff recommendation to wait for a new Remote Indigenous Housing Agreement to be finalised before considering changes to the assessments as there is insufficient information available at this stage on the arrangements for 2018-19.

National Housing and Homelessness Agreement

South Australia supports the staff recommendation not to backcast the proposed funding arrangements for National Housing and Homelessness Agreement (still under negotiation).

Commonwealth payment for New South Wales – Infrastructure Skills Centre

South Australia supports the staff recommendation to allow the infrastructure skills payment to New South Wales to affect relativities as the funding relates to a normal state function where needs are assessed.