

West Belconnen/Parkwood

I have been asked by The Riverview Group to advise on how the Commonwealth Grants Commission would treat the cross-border issues associated with the proposed West Belconnen/Parkwood development. The cross-border question arises because a substantial portion of the proposed development includes land in NSW but, because of the inaccessibility of the NSW land in terms of service provision, all State-type services would need to be provided by the ACT Government.

The Commonwealth Grants Commission has a well-established methodology for dealing with ACT/NSW cross-border issues. Under this methodology, where there is no other agreement or process between the two jurisdictions governing the way in which the costs to the ACT of providing services to NSW residents is determined, the Commission undertakes an assessment along the following lines:

- An estimate of the proportion of the population from areas adjacent to or close to the ACT who would access State-type services from the ACT is made. This assessment is typically based on the populations of local government areas, with a higher proportion of NSW residents living in local government areas immediately adjacent to the ACT assessed as using ACT provided services, and lower proportions in areas further away from the ACT.
- The Commission then inflates the population of the ACT by these additional numbers. In other words they are treated as if they were residents of the ACT.
- The grant share relativities, and grant shares determined by the Commission's assessment processes are then applied to this larger population figure, thus compensating the ACT Government for the additional costs it faces in providing these State-type services to people who are actually resident in the ACT.

Since it would be clearly established that all residents living in NSW under the West Belconnen/Parkwood development, would be

accessing State-type services from the ACT it would be reasonable to assume that the Commission would assess the proportion of residents to be added to the ACT's population for these services as one hundred per cent, and the ACT would be compensated and funded accordingly.

It should be noted that the Commission does not make binding rulings or give formal advice as to how specific issues might be treated in advance of any assessment. The actual treatment applied by the Commission would only be established with certainty when and if it became relevant in its assessments for the relevant year.

Alan Morris
Chairman
Commonwealth Grants Commission (1999-2010)