



Australian Government
Commonwealth Grants Commission

24 June 2019

The Hon Josh Frydenberg MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

As members of the Commonwealth Grants Commission appointed under the *Commonwealth Grants Commission Act 1973*, and in response to the terms of reference provided by The Hon Scott Morrison MP on 28 November 2016, we have pleasure in submitting to you the Commission's draft report for the *2020 Methodology Review of GST Revenue Sharing Relativities*.

The terms of reference asked the Commission to undertake a comprehensive review of all the methodologies underpinning the calculation of GST relativities and to provide a draft report in 2019. Once you agree, States will also be provided with a copy of this report as part of the ongoing consultation for the review.

The Commission will provide the final report for this inquiry, including both the revised methodology and the recommended relativities for 2020-21, by 28 February 2020.


Yours sincerely




G J Smith
Chairperson



J D Petchey
Member



L S Williams AM
Member



P W Hendy
Member