COMMONWEALTH GRANTS COMMISSION

STATE FINANCES DIVISION

9.30 am — 1.40 pm on 8 February 2017

Meeting held at the Commission's offices, Canberra

Present:	Chairperson	Mr G J Smith
	Members	Dr L Williams AM
		Prof J Petchey

MINUTES

1 The minutes of the State Finances meeting held on 23 November 2016 were accepted.

Actions arising

2 The Commission noted:

- A revised consultancy proposal relating to elasticity adjustments would be brought back to the Commission following the completion of the update.
- Its comments on a revised transport consultancy proposal would be taken into account in preparing the final document to be sent to States.
- The what States do papers on Native title, Water subsidies, Admitted patients and Agriculture have been posted on the CGC cloud. Others seen by the Commission but not yet been revised as requested will be placed on the cloud as soon as possible.

2017 UPDATE

AP 2017-03 2017 Update draft report

3 The Commission considered the report and suggested editorial and other changes. It decided that the 'Main changes' tables in the States' individual page summary should show the total GST changes instead of the impact of changes in circumstances. It also

decided to note minor errors in the Quality Assurance attachment but to include the change to the Community health non-State sector adjustment in the New issues chapter (Chapter 2). It noted the revised tables for data revisions and changes in circumstances.

4 The Commission asked that any major changes to the report be highlighted in the final draft for the next meeting.

AP 2017-02 Health assessment in the 2017 update

5 The Commission noted the effect on the GST distribution of including Independent Hospital Pricing Authority (IHPA) and Australian Institute of Health and Welfare (AIHW) data received in late January 2017.

6 The Commission confirmed an earlier decision to correct an error in the calculation of the non-State sector adjustment in the Community health assessment, noting that the error affected the GST distribution in the 2015 Review and 2016 Update. The Commission decided to advise States of the error in the New issues chapter (Chapter 2) of the update report using the draft text in the agenda paper.

AP 2017-01 2017 Update issues — Land tax and NDIS

7 The Commission considered this paper, an email containing additional information, a 'Commission only' box in the draft report and State views. It decided it would:

- use Queensland's new distribution of its land values by value range for the 2015-16 assessment year as it considered this distribution consistent with current market conditions in Queensland
- estimate the distribution for earlier assessment years by transitioning between Queensland's old distribution and its new distribution. It decided to extrapolate between the two available data points in a straight line way to represent the change in circumstances over the period.

8 The Commission also noted the use of the new anticipated NDIS full scheme participant numbers in the 2017-18 application year in this update and the impact on the GST distribution.

FUTURE MEETINGS

9 The next Commission meeting will be held on 22 February 2017.

10 The Chairperson closed the meeting at 1.40 pm on 8 February 2017.

Read and confirmed

G J Smith

Chairperson