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Mr M Willcock
Secretary
Commonwealth Grants Commission
Phoenix House
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86-88 Northborne Avenue
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Dear Mr Willcock

2020 Methodology Review work program

Thank you for your letter of 1 December 2016 inviting me to provide input into the work program for the Commission's 2020 Methodology Review.

Tasmania's general position is that the current supporting principles and scope and structure of the Commission's methods remain appropriate. However, there are a number of issues that the Commission should explore in the 2020 Review as a result of changes to state responsibilities, ageing or inappropriate data, or issues that were not fully covered in the 2015 Method Review due to the truncated timeframe for the 2015 Review. These issues are discussed in the attachment to this letter.

Tasmania does not consider that the Commission should start with a clean slate. Rather, the Review should be seen as an opportunity to make incremental refinements to Australia's robust system of achieving comprehensive horizontal fiscal equalisation.

I have attached my response to the questions raised in your letter about the 2020 Review work program.

Should you have any queries or require any further information regarding this matter, please contact Damien Febey on (03) 6166 4268 or email damien.febey@treasury.tas.gov.au.

Yours sincerely

Tony Ferrall
Secretary

27 January 2017