



TREASURER

Mr Greg Smith
Chairperson
Commonwealth Grants Commission
86-88 Northbourne Ave
BRADDON ACT 2612

Dear Mr Smith

A handwritten signature in blue ink that reads 'Greg'.

I am writing to you to convey the enclosed terms of reference for the Commonwealth Grants Commission's *2017 Update of GST Revenue Sharing Relativities* (2017 Update) and *2020 Methodology Review of GST Revenue Sharing Relativities* (2020 Methodology Review).

The terms of reference for the 2017 Update require the Commission to report by 24 March 2017, with an advance copy of the report to be provided to the Commonwealth and the States and Territories, under embargo, by 10 March 2017.

The terms of reference for the 2020 Methodology Review require the Commission to undertake a comprehensive review of all of the methodologies underpinning its calculation of the GST relativities. The final report for the review should be provided to the Commonwealth and the States and Territories by 28 February 2020. This will give the Commission more than three years to complete a wide-ranging review of its methods.

I expect the Commission to consult closely with the Commonwealth and the States and Territories, both in developing a work program to guide your methodology review as well as throughout the review process.

Yours sincerely

A handwritten signature in blue ink, which appears to be 'Scott Morrison'.

The Hon Scott Morrison MP

11/11 / 2016