

DEPARTMENT OF THE PRIME MINISTER AND CABINET

PM&C
Secretary
Ms Cross
Ms Larkins
Ms Curnow
Ms Morton
Mr Gruen
Mr Yeaman
Ms Laduzko
Mr McDonald

To: Prime Minister (for decision by 3 February 2016)

cc: Assistant Minister McGrath

**REFORM OF THE FEDERATION - POSITION ON GREEN/WHITE PAPER AND
ROLE OF EXPERT ADVISORY PANEL**

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Recommendations - that you:

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MALCOLM TURNBULL

Date:

Comments:

Key Points:

Reform of the Federation Green and White Papers

1. At the December 2015 COAG meeting, you agreed with First Ministers that Federation reform would be taken forward as an important part of a new economic reform agenda.
2. With the focus of all governments now firmly on delivering the new national economic reform agenda, s47C
3. The COAG decision from December 2015 provides a new pathway to progress work commenced under the Federation reform process, in particular proposed reforms on health and education.
4. Confirmation of your position on the Green and White Papers will allow the Department to advise stakeholders of this decision.

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5. The commitment to deliver a White Paper on the Reform of the Federation was made by the former Prime Minister over a year ago. Since then, considerable work has been done by the Department on reform options, in close collaboration with the states and territories.
6. The Department receives regular enquiries from the public and key stakeholders on the timing of the Green and White Papers. The Department is likely to be asked about timing of the Papers at Senate Estimates in February. s47C

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7. The Expert Advisory Panel (the 'Panel') was established in 2014 by the former Prime Minister to support the Reform of the Federation White Paper process.
8. The Panel has made an important contribution to the process, drawing on their experiences and expertise in different sectors. They have provided advice to government (through COAG and at the officials level), and fostered public discussion.
9. The Panel also played a key role in the development of policy reform options which were broadly discussed at the December 2015 COAG meeting. s47C

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Alison Larkins
First Assistant Secretary
Coordinating Taskforce
22 January 2016

Policy Officer: s22
Phone no: s22
Consultation:

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ATTACHMENTS

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CHAIR'S BRIEF: COAG 11 DECEMBER 2015

Welcome

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SA (Jay Weatherill) will raise his proposal to share the Commonwealth income tax base.

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COAG 11 December 2015

COAG SUPPLEMENTARY BRIEF

Premier Weatherill’s proposal for tax reform

Premier Weatherill has proposed the Commonwealth increase the GST to 15 per cent and use the proceeds to fund broader tax reform. In exchange, the states and territories would receive a fixed share of about 17.5 per cent of personal income tax revenue to fund schools, hospitals and other state expenditure. Most Commonwealth grants would then be abolished with the exception of infrastructure and on-passed grants.

Issues First Ministers may raise

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Additional Information

- Media reports suggest Premier Weatherill has consulted other First Ministers on this proposal. As SA has noted, this is (at its heart) a federation reform, rather than a tax reform – although it would provide scope for a tax mix switch. s47B

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