

BOARD OF TREASURERS

Communiqué

Brisbane, Friday 1 December 2023

The Council on Federal Financial Relations met today in Brisbane, discussing critical priorities.

All State and Territory Treasurers appreciated Treasurer Chalmers' engaging with jurisdictions on key issues in a positive and constructive manner.

National Firearms Register

States and Territory Treasurers supported a National Firearms Register, and discussed a funding framework that will fairly share final costs with the Commonwealth Government. State and Territory Treasurers support ongoing focus on a Register that will deliver effectiveness, community safety and value for money.

High Court decision in Vanderstock & Anor v State of Victoria

State and Territory Treasurers welcome the Commonwealth's public statement on the recent High Court decision in Vanderstock & Anor v State of Victoria. The Commonwealth have committed to work together with the states and territories to provide security and certainty for taxation and revenue arrangements, including legislative options. All governments are committed to establishing long-term solutions.

Revitalising National Competition Policy

All Treasurers look forward to working together to revitalise National Competition Policy. The reform program will generate lasting benefits for the economy and community. It is important all governments share the benefits of economic growth and revenue from competition. State and Territory Treasurers note the contributions their jurisdictions make to implement new national reforms must be accompanied by new Commonwealth funding.

Honouring the GST No-worse-off Guarantee

All State and Territory Treasurers urged Treasurer Chalmers to establish the GST No-Worse-Off Guarantee as a permanent arrangement in the upcoming Mid-Year Economic and Fiscal Outlook.

- All State and Territory Treasurers welcomed Treasurer Chalmers' engaging with jurisdictions in relation to a partial and temporary extension of the guarantee, a permanent solution is needed.*
- Without permanently honouring the No-Worse-Off Guarantee, the Commonwealth will leave most states and territories with a significant decrease in ongoing revenue.*
- The collective loss to states and territories is estimated by the Commonwealth to be around \$4.9 billion per annum, and is expected to grow over time. This equates to the salaries of over 30,000 nurses or teachers each year.*
- When the deal was made for new GST arrangements in 2018, a commitment was made by the Commonwealth, with bi-partisan support, that no jurisdiction would be worse off then or into the future.*
- Without the Guarantee, the Commonwealth will be fully responsible if states and territories are forced to consider a new tax or levy to ensure essential services are not compromised or reduced.*
- Due to the way the current GST distribution model works, the Commonwealth has plenty of capacity to pay the guarantee from windfall company tax receipts. It seems only fair to share our nation's prosperity.*

For these reasons, all State and Territory Treasurers urge Treasurer Chalmers to make the only acceptable offer: to honour the No-Worse-Off Guarantee in perpetuity.

Independent Strategic Review of the Infrastructure Investment Program

State and Territory Treasurers discussed the Commonwealth Government's recently released Independent Strategic Review of the Infrastructure Investment Program.

- *State and Territory Treasurers agreed the process undertaken by the Commonwealth was disappointing, resulting in adverse outcomes for states and territories.*
- *State and Territory Treasurers were unanimous in rejecting the proposal to reduce Commonwealth funding for vital regional roads from 80 per cent to 50 per cent, an unacceptable outcome for Australians who need these roads each day.*

National Disability Insurance Scheme Review

State and Territory Treasurers note ongoing discussions regarding the NDIS to support a sustainable model that supports Australians with a disability for future generations. State and Territory Treasurers believe the GST No-worse-off Guarantee needs to be resolved before any states and territories can consider any proposals for change.