

**As Treasurer, Scott Morrison also promised not to act unilaterally**

TREASURER: I think step one is let's just get the states and territories all on board. As you know, technically that's not even required but I think it's the better way to go to give this some permanency through an intergovernmental agreement and woe betide any treasurer in the future that doesn't stand by that.

Q&A SESSION – 16 July 2018

TREASURER: Well, the Commonwealth can go it alone, but I don't think that's the right way to go forward. The model I'm working to is over the next six months, by the end of the year, I would like to get the agreement of all the States and Territories about going forward on this basis.

SKY NEWS – 5 JULY 2018

TREASURER: No, not technically but that's what I want to do, because I think what gives everybody the certainty of this new plan is that it would be agreed by all the States and Territories. I think it is as important in Tasmania as it is in Western Australia and that's why I would like to go down the path of working with the States and Territories to get everyone on board.

ABC AM – 5 JULY 2018

TREASURER: Now, do I have to have an inter-governmental agreement to achieve this? No, I don't, but I think it's the right thing to do, it's certainly the right thing to try. I think it provides further certainty if this is summarised in an intergovernmental agreement, rather than done unilaterally by the Commonwealth. The States deserve certainty. They deserve this plan for a fairer GST for everyone.

PRESS CONFERENCE – 5 JULY 2018

- to get a time series of relativities from 2018-19 (the last year of actual relativities) to 2026-27, the relativities for each state take a linear path between these years.

## Methodology

- To calculate the above, Victoria has used the same spreadsheet model provided by the Commonwealth (used by them in the response paper). The Commonwealth's model imposes a within-system relativity floor of 0.70 in 2022-23 rising to 0.75 in 2024-25 and transitions to the new HFE standard from 2021-22 over six years.

## Output

- The tables on pages 4 to 9 illustrate the difference in GST for each scenario under the proposed new methodology compared to the status quo.

### How much would the Commonwealth need to increase the GST pool so that no state was worse off in 2026-27?

- The following example illustrates the shortfall in top up payments. It is based on scenario 6 (where relativities return to 10-year average by 2026-27) and focuses on the outcomes in 2026-27. Applying the Commonwealth's proposed methodology under this scenario shows that all states apart from Western Australia and the Northern Territory would be worse off. In essence, the proposed top up pool of \$1,053m in 2026-27 is insufficient to compensate states.
- Table 2 shows that the top up pool would need to increase by a further \$3,722 million to \$4,775 million in 2026-27 so that no state was worse off. Note that the additional GST pool is distributed in the same way as the existing pool.

**Table 2: GST distribution based on current method and proposed new method under Scenario 6, various pools, 2026-27 (\$m)**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	30,189	25,131	21,002	5,000	8,708	3,271	1,983	4,616	99,900
New method, pool topped up \$1053m	29,134	24,237	20,372	8,904	8,523	3,224	1,932	4,627	100,953
Difference, current vs new method	-1,055	-894	-630	3,904	-185	-48	-50	11	1,053
New method, pool topped up \$4775m*	30,208	25,130	21,123	9,232	8,837	3,342	2,004	4,798	104,675
Difference, current vs new method	19	0	121	4,232	129	71	21	182	4,775
Additional top up needed to make no state worse off	1,074	894	751	328	314	119	71	171	3,722

\* \$4775 million is the minimum required addition to the GST pool (compared to the unadjusted pool) so that no state is worse off in 2026-27 under Scenario 6. The second last row in the table shows that, with this expanded pool, all states would get at least the same GST as under the current distribution method.

Department of Treasury and Finance  
Victoria  
September 2018

## Scenario 1 – Modest lift in iron ore prices by 2026-27

Description: A modest forecast increase in iron ore prices lifting royalty revenue by 2026-27. NSW, for example, would be worse off by \$722 million in total over six years, including by \$161 million in 2026-27.

### Modest lift in iron ore prices: Difference in GST revenue (\$m)\*

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2019-20	0	0	0	1,430	0	0	0	207
2020-21	0	0	0	1,284	0	0	0	154
2021-22	39	50	55	1,161	33	14	5	122
2022-23	-165	-119	-70	980	-9	1	-5	17
2023-24	-141	-100	-52	941	-3	3	-4	19
2024-25	-133	-88	-31	1,154	9	9	-1	30
2025-26	-162	-113	-45	1,277	4	8	-3	32
2026-27	-161	-113	-40	1,319	6	9	-2	34
<b>Total</b>	<b>-722</b>	<b>-482</b>	<b>-182</b>	<b>9,547</b>	<b>39</b>	<b>46</b>	<b>-9</b>	<b>616</b>

### Additional information for 2026-27

#### GST distribution based on current method and new proposed method, 2026-27 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	26,908	24,843	22,337	6,973	9,063	3,418	1,981	4,376	99,900
New method, topped up pool	26,748	24,730	22,297	8,293	9,069	3,428	1,979	4,410	100,953
Difference	-161	-113	-40	1,319	6	9	-2	34	1,053

#### Relativities\* used in the year 2026-27 in the Commonwealth proposal and in this scenario

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Commonwealth proposal	0.83	0.91	1.11	0.76	1.38	1.75	1.18	4.91
Scenario 1	0.83	0.91	1.12	0.70	1.39	1.77	1.19	4.95

\* In each case, relativities shown are initial relativities prior to the imposition of "second strongest state" adjustment

## Scenario 2 – Falling property transactions by 2026-27

Description: Property transactions fall resulting in stamp duty revenue slowing in both Victoria and NSW, also assumes Western Australia and Queensland royalties moderate slowly from current level by 2026-27. Victoria, for example, would be worse off by \$856 million in total over six years, including by \$260 million in 2026-27.

### Falling property transactions: Difference in GST revenue (\$m)\*

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2019-20	0	0	0	1,443	0	0	0	223
2020-21	0	0	0	1,312	0	0	0	186
2021-22	33	44	47	1,204	30	13	5	173
2022-23	-182	-135	-87	1,040	-14	-0	-6	16
2023-24	-185	-138	-88	1,078	-14	0	-6	17
2024-25	-206	-153	-92	1,384	-9	4	-5	27
2025-26	-276	-214	-135	1,629	-23	-0	-9	27
2026-27	-328	-260	-166	1,826	-32	-2	-11	27
<b>Total</b>	<b>-1,144</b>	<b>-856</b>	<b>-522</b>	<b>10,916</b>	<b>-63</b>	<b>14</b>	<b>-32</b>	<b>696</b>

### Additional information for 2026-27

### GST distribution based on current method and proposed new method, 2026-27 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	28,235	25,409	20,978	6,826	8,900	3,330	2,012	4,210	99,900
New method, topped up pool	27,907	25,149	20,811	8,652	8,868	3,328	2,001	4,237	100,953
Difference	-328	-260	-166	1,826	-32	-2	-11	27	1,053

### Relativities\* used in the year 2026-27 in the Commonwealth proposal and in this scenario

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Commonwealth proposal	0.83	0.91	1.11	0.76	1.38	1.75	1.18	4.91
Scenario 2	0.87	0.93	1.05	0.68	1.37	1.72	1.20	4.76

\* In each case, relativities shown are initial relativities prior to the imposition of "second strongest state" adjustment

### Scenario 3 – Strong increase in mining production by 2026-27

Description: strong increase in mining production; NSW and Victoria perform relatively better in property related taxes by 2026-27 This scenario replicated the relativities that occurred in 2011-12. Queensland, for example, would be worse off by \$651 million in total over six years, including by \$182 million in 2026-27.

**Strong increase in mining production; NSW and Victoria perform relatively better in property related taxes (2026-27 relativity is the same as occurred in 2011-12)**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2019-20	0	0	0	1,409	0	0	0	170
2020-21	0	0	0	1,239	0	0	0	76
2021-22	32	36	37	1,090	27	12	4	22
2022-23	-116	-89	-59	879	-4	3	-3	20
2023-24	-216	-177	-125	1,202	-26	-4	-9	18
2024-25	-245	-207	-145	1,554	-26	-2	-10	29
2025-26	-285	-247	-176	1,728	-35	-4	-12	31
2026-27	-284	-255	-182	1,794	-36	-4	-12	34
<b>Total</b>	<b>-1,115</b>	<b>-940</b>	<b>-651</b>	<b>10,894</b>	<b>-99</b>	<b>1</b>	<b>-41</b>	<b>400</b>

#### Additional information for 2026-27

##### GST distribution based on current method and proposed new method, 2026-27 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	31,103	24,796	18,693	7,222	8,322	3,115	1,876	4,772	99,900
New method, topped up pool	30,819	24,541	18,511	9,016	8,286	3,111	1,864	4,805	100,953
Difference	-284	-255	-182	1,794	-36	-4	-12	34	1,053

##### Relativities\* used in the year 2026-27 in the Commonwealth proposal and in this scenario

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Commonwealth proposal	0.83	0.91	1.11	0.76	1.38	1.75	1.18	4.91
Scenario 3	0.96	0.90	0.93	0.72	1.27	1.60	1.12	5.36

\* In each case, relativities shown are initial relativities prior to the imposition of "second strongest state" adjustment

## Scenario 4 – Queensland becomes second strongest state by 2026-27

Description: Queensland becomes the second strongest state. Queensland has the second lowest relativity (higher only than Western Australia) by 2026-27. This scenario replicated the relativities that occurred in 2010-11. South Australia, for example, would be worse off by \$238 million in total over six years, including by \$116 million in 2026-27.

### Queensland is second strongest state (2026-27 relativity is the same as occurred in 2010-11)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2019-20	0	0	0	1,440	0	0	0	194
2020-21	0	0	0	1,304	0	0	0	126
2021-22	27	34	33	1,193	27	12	4	79
2022-23	-168	-129	-92	1,023	-15	-0	-6	17
2023-24	-242	-194	-142	1,270	-31	-5	-10	17
2024-25	-303	-247	-182	1,707	-37	-5	-12	26
2025-26	-449	-375	-217	2,116	-67	-13	-20	24
2026-27	-688	-584	109	2,371	-116	-28	-32	20
<b>Total</b>	<b>-1,822</b>	<b>-1,494</b>	<b>-491</b>	<b>12,425</b>	<b>-238</b>	<b>-39</b>	<b>-75</b>	<b>502</b>

### Additional information for 2026-27

#### GST distribution based on current method and proposed new method, 2026-27 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	30,897	25,743	18,371	6,872	8,410	3,155	1,936	4,516	99,900
New method, topped up pool	30,209	25,160	18,480	9,243	8,294	3,127	1,904	4,536	100,953
Difference	-688	-584	109	2,371	-116	-28	-32	20	1,053

#### Relativities\* used in the year 2026-27 in the Commonwealth proposal and in this scenario

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Commonwealth proposal	0.83	0.91	1.11	0.76	1.38	1.75	1.18	4.91
Scenario 4	0.95	0.94	0.91	0.68	1.28	1.62	1.15	5.07

\* In each case, relativities shown are initial relativities prior to the imposition of "second strongest state" adjustment

## Scenario 5 – Peak of mining boom again in 2026-27

Description: A mining boom results in Western Australia's relativity falling to 0.30 by 2026-27. This is the same (low point) relativity that the state had in 2015-16. Tasmania, for example, would be worse off by \$248 million in total over six years, including by \$78 million in 2026-27.

### Scenario 5 – Mining boom: Difference in GST revenue (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2019-20	0	0	0	1,787	0	0	0	153
2020-21	0	0	0	2,033	0	0	0	41
2021-22	-34	-19	5	2,337	15	9	1	21
2022-23	-743	-608	-436	2,620	-133	-35	-36	2
2023-24	-839	-695	-495	2,925	-152	-40	-41	1
2024-25	-1,036	-868	-606	3,731	-183	-47	-51	8
2025-26	-1,203	-1,019	-709	4,255	-216	-56	-59	7
2026-27	-1,606	-1,372	-958	5,444	-296	-78	-80	-1
<b>Total</b>	<b>-5,462</b>	<b>-4,580</b>	<b>-3,199</b>	<b>25,132</b>	<b>-965</b>	<b>-248</b>	<b>-267</b>	<b>232</b>

### Additional information for 2026-27

#### GST distribution based on current method and proposed new method, 2026-27 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	30,674	24,389	22,630	3,011	8,873	3,532	1,843	4,947	99,900
New method, topped up pool	29,068	23,017	21,672	8,456	8,577	3,454	1,763	4,946	100,953
Difference	-1,606	-1,372	-958	5,444	-296	-78	-80	-1	1,053

#### Relativities\* used in the year 2026-27 in the Commonwealth proposal and in this scenario

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Commonwealth proposal	0.83	0.91	1.11	0.76	1.38	1.75	1.18	4.91
Scenario 5	0.95	0.89	1.13	0.30	1.36	1.82	1.10	5.57

\* In each case, relativities shown are initial relativities prior to the imposition of "second strongest state" adjustment

## Scenario 6 – Relativities return to 10-year average by 2026-27

Description: By 2026-27, each state has a relativity derived by averaging that state's relativities over the past ten years. The ACT, for example, would be worse off by \$150 million in total over six years, including by \$50 million in 2026-27.

### Average relativities over ten years: Difference in GST revenue (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2019-20	0	0	0	1,608	0	0	0	184
2020-21	0	0	0	1,657	0	0	0	106
2021-22	-1	11	22	1,747	22	10	3	48
2022-23	-448	-361	-257	1,797	-72	-17	-20	10
2023-24	-454	-370	-261	1,848	-73	-17	-20	11
2024-25	-551	-454	-315	2,376	-84	-19	-24	19
2025-26	-807	-676	-475	3,150	-136	-34	-37	15
2026-27	-1,055	-894	-630	3,904	-185	-48	-50	11
<b>Total</b>	<b>-3,316</b>	<b>-2,744</b>	<b>-1,914</b>	<b>18,086</b>	<b>-528</b>	<b>-125</b>	<b>-150</b>	<b>404</b>

### Additional information for 2026-27

#### GST distribution based on current method and proposed new method, 2026-27 (\$m)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Current method, unadjusted pool	30,189	25,131	21,002	5,000	8,708	3,271	1,983	4,616	99,900
New method, topped up pool	29,134	24,237	20,372	8,904	8,523	3,224	1,932	4,627	100,953
Difference	-1,055	-894	-630	3,904	-185	-48	-50	11	1,053

#### Relativities\* used in the year 2026-27 in the Commonwealth proposal and in this scenario

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Commonwealth proposal	0.83	0.91	1.11	0.76	1.38	1.75	1.18	4.91
Scenario 6	0.93	0.92	1.05	0.50	1.33	1.68	1.18	5.20

\* In each case, relativities shown are initial relativities prior to the imposition of "second strongest state" adjustment



The Hon Rob Lucas MLC



Government  
of South Australia

TRS18D0810

Treasurer  
Level 8  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
GPO Box 2264  
Adelaide SA 5001  
DX 56203 Victoria Square  
Tel 08 8226 1866  
treasurer.dtf@sa.gov.au

Hon Christopher Pyne MP  
Minister for Defence Industry  
Parliament House  
CANBERRA ACT 2600

Chris,  
Dear Mr Pyne

I refer to an email from Ms Ann de Cure of your Office, addressed to the [REDACTED] regarding the work injury claim of [REDACTED]. As Industrial Relations falls within my portfolio of responsibilities, the matter has been referred for my direct response.

[REDACTED] has advised that [REDACTED] has apologised for the oversight and service failure of not responding to the email [REDACTED] sent them in [REDACTED], until he resent it in [REDACTED].

I am advised that [REDACTED] has received more than [REDACTED] in relation to his [REDACTED]. This includes lump sum payments for [REDACTED] and [REDACTED].

[REDACTED] email to your Office indicated that he is dissatisfied with [REDACTED] may wish to discuss his concerns with the [REDACTED] as they handle [REDACTED]

[REDACTED]

I trust that this information will enable you to respond to [REDACTED]

Yours sincerely

Hon Rob Lucas MLC  
Treasurer

10 June 2018

The Hon Rob Lucas MLC



Government  
of South Australia

TRS18D0549

Hon Christopher Pyne MP  
Member for Sturt  
429 Magill Road  
ST MORRIS SA 5068

Treasurer  
Level 8  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
GPO Box 2264  
Adelaide SA 5001  
DX 56203 Victoria Square  
Tel 08 8226 1866  
treasurer.dtf@sa.gov.au

*Chris*  
Dear Mr Pyne

I refer to your letter on behalf of your constituent, [REDACTED], regarding her [REDACTED]

The [REDACTED]  
[REDACTED]

The causation of some of [REDACTED]  
[REDACTED]

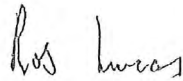
Whilst Compulsory Third Party (CTP) claims are assessed at common law on the basis of a once only lump sum payment, in appropriate circumstances of financial hardship [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

Furthermore, [REDACTED] advises that appointments are in place to obtain the medical information required to negotiate the claim. Subject to prompt responses from medical experts this should happen within three months.

I trust the above information is of assistance to you and your constituent.

Yours sincerely



**Hon Rob Lucas MLC**  
*Treasurer*

27 May 2018

The Hon Rob Lucas MLC



Government  
of South Australia

TRS18D0468

Treasurer  
Level 8  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
GPO Box 2264  
Adelaide SA 5001  
DX 56203 Victoria Square  
Tel 08 8226 1866  
treasurer.dtf@sa.gov.au

Mr Tony Zappia MP  
Federal Member for Makin  
PO Box 775  
MODBURY SA 5092

Dear Mr Zappia

I refer to your letter of [REDACTED], on behalf of [REDACTED], which sought clarification on whether stamp duty would be payable should a life estate be registered on the title for [REDACTED] (the Property) in the name of [REDACTED].

If a life estate is created (registered or unregistered) in relation to the Property in the name of [REDACTED], stamp duty would be payable on the value of the life estate. The value of a life estate is determined by multiplying the market value of the property by the "life estate factor", which is determined by reference to tables produced by the Australian Government Actuary (using age and gender as determining factors).

You have also requested that consideration be given to accepting the statutory declaration completed by [REDACTED] or some other form of evidence that would enable [REDACTED] to obtain an Emergency Services Levy (ESL) remission for the Property.

A remission to the ESL applicable to the Property is only available (currently) to [REDACTED] if she is a registered owner of the Property or holds a life estate in the Property (registered or unregistered), and is the holder of a relevant concession card or recipient of a relevant Centrelink payment. Accordingly, the statutory declaration is of no assistance, as it does not create a life estate in relation to the Property in the name of [REDACTED].

However, given the Government proposes to introduce general fixed property ESL remissions to the value of \$90 million per annum from 2018-19, the Property will receive an ESL remission in 2018-19.

I trust the above is of assistance.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Rob Lucas".

Hon Rob Lucas MLC  
Treasurer

16 June 2018