

BOARD OF TREASURERS

Communiqué

Sydney

Friday 3 August 2018

The Board of Treasurers (Board) held its third meeting today, Friday 3 August 2018, in Sydney. The Board comprises Treasurers from all Australian state and territory (state) governments.

Federal financial relations reform

Treasurers discussed the Commonwealth's proposed GST reform package and its implications for each jurisdiction, ahead of the planned special Council on Federal Financial Relations (CFFR) meeting in September on this topic. Treasurers agreed to work jointly to fully assess the basis for the Commonwealth's commitment that no state would be worse off, and to consider the Commonwealth package in the context of broader reforms to improve the fiscal sustainability and practicality of federal financial relations.

Lifting national productivity

The **NSW Productivity Commissioner briefed the Board** on the importance of productivity for sustaining economic growth, and the responsibility State governments bear in driving productivity reform. The Commissioner highlighted areas where Treasurers could consider implementing the recommendations of the Australian Productivity Commission's *Shifting the Dial* report.

The Board reaffirmed its commitment to developing a common productivity reform agenda, recognising the benefits of a long-term approach to national productivity reform to stimulate economic growth and raise living standards across Australia.

As part of this commitment, Treasurers agreed to jointly work to **identify and share best practice in funding and delivering major infrastructure**. The work will consider the value of coordinating information on states' project pipelines, standardising public-private contract frameworks and tender documents, better engagement and collaboration with the private sector, and national training and culture-change programs in the sector.

This work will be complemented by a related work stream to develop infrastructure cost-sharing principles for Commonwealth-State co-funded projects (see detail below).

The Board also agreed to commence **early scoping work** on two further potential areas of national productivity reform; namely, mutual recognition of occupational licensing and data sharing for better service delivery.

Infrastructure — Cost sharing principles

The Board agreed to **develop a set of infrastructure cost-sharing principles** to present to the Commonwealth Treasurer for consideration. The principles are aimed at providing states with greater funding certainty over Commonwealth-priority and Commonwealth-state joint infrastructure initiatives. States will work together to produce a set of

transparent criteria that enables them to develop future investment programs with a clear understanding of funding contributions from each tier of government. Focus areas will include achieving greater consistency and clarity on the timing of Commonwealth payments and on the ratios of Commonwealth to state funding.

Board strategic leadership

Treasurers also announced the **appointment of an external consultant**, Mr John Azarias, to provide expert and practical advice to the Board on how to achieve its goals, drive national consensus and solidify the role of this forum in federal financial affairs. Mr Azarias will be tasked with finalising the Board's strategic roadmap and its implementation plan in consultation with all state Treasurers. Mr Azarias is an experienced consultant to government, and former diplomat.

Health reform

The Board acknowledged the progress made by Treasuries to **develop collective priorities on the scale and focus of national health system reforms** to be included in the National Health Agreement under negotiation in 2018. This work recognises the importance of system-wide reforms in the health sector to address the fiscal and economic challenges in health funding facing jurisdictions over the next decade.

More information: <https://www.treasury.nsw.gov.au/board-treasurers>