



THE HON SCOTT MORRISON MP
TREASURER OF THE COMMONWEALTH OF AUSTRALIA



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Council on Federal Financial Relations

State & Territory Treasurers meeting considers platform for national economic growth

The Council on Federal Financial Relations ("CFFR") of Australia's Treasurers met today in Sydney, to discuss a range of national economic and fiscal issues.

Treasurers received an update on the evolving economic and fiscal outlook at the Commonwealth and state levels.

Specific issues included:

1. National Tax System Discussion

The Council recognised the work undertaken by the Commonwealth on the options for the tax system following the discussions between the Treasurers at the special tax meeting in August. In consultation with the states and territories, the Commonwealth provided the Council with further details on possible elements of changes to the Medicare levy or a change to the GST. It was agreed that all options remain on the table.

It was agreed that the Council would continue to explore options for improvements to the tax system and that the Commonwealth Treasury with the state and territory counterparts would review the operation of all state and Commonwealth taxes as part of the overall review of the national tax system. This work will continue at the officials level and the Commonwealth will report back to CFFR with a more detailed analysis of the options at the next Council meeting scheduled for early in 2016.

The Treasurers agreed that these consultations would be fed into the COAG process and that the Leaders would be provided with an update on progress in the consideration and evaluation of how a better tax system for Australia could be achieved.

2. Harper Review

The Council agreed that competition reform is needed to drive Australia's economic performance and living standards so that Australia can continue to meet the growing demand for high quality services. The Treasurers were updated on the Competition Policy Review led by Professor Ian Harper (the Harper Review) and the recommendations it has made on Australia's competition framework spanning most sectors of the economy and all levels of government.

The Treasurers recognised that previous National Competition Policy (NCP) reforms delivered substantial benefits with efficiency improvements in the key infrastructure industries targeted by reforms boosting Australia's GDP by 2.5 per cent. This was an example of how all governments can utilise competition to contribute to economic growth and demonstrates how governments can work together to build the public case for reform.

There was agreement that further work be undertaken on how a new national framework could be developed between the Commonwealth, states and territories to identify and facilitate innovative ways to deliver services and promote economic growth.

3. Housing Supply Working Group Report (Victoria)

The Council recognised the work undertaken by Victoria on housing supply, especially best practice arrangements for release of Commonwealth land, and requested that the Victorian Government lead further work on housing affordability with a specific focus on solutions for better supply and provision of social housing through the national reform framework.

4. A National Register of Foreign Ownership of Land Titles

All Treasurers with the exception of the Northern Territory agreed to a National Register of Foreign Ownership of Land Titles. The National Land Register is a critical part of the Government's foreign investment reforms to strengthen the integrity of the foreign investment framework.

5. Integrity measures for digital products and services and low value threshold

The Council noted that the Commonwealth has prepared updated draft legislation for the 2015-16 Budget measure applying GST to digital products and services and will undertake stakeholder consultations.

The states, territories and Commonwealth will continue to work towards a comprehensive framework for national reform to support a functional and efficient Federation and promote a stronger Australian economy.



Portfolio Ministers

The Hon Scott Morrison MP (<http://sjm.ministers.treasury.gov.au/>)

The Hon Kelly O'Dwyer MP (<http://kmo.ministers.treasury.gov.au/>)

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