

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

2015 - 2016

**Department/Agency:** Treasury

**Question:** AET 24

**Topic:** Modelling GST options for COAG

**Reference:** Hansard page no. 19 - 10 February 2016

**Senator:** Wong, Penny

**Question:**

**Senator WONG:** Fine. On the 9 December, the *Sydney Morning Herald* reported that the Treasurer was carrying out modelling on eight tax reform options for consideration by the COAG. Five of these options involved increasing the GST rate or expanding the GST. Two options involved increasing the Medicare levy and one option involved introducing a GST-equivalent financial sector tax. Mr Fraser, are you aware of the work undertaken by Treasury for this modelling?

**Senator Cormann:** Sorry—this is where I have got to answer on behalf of the government. The issue of tax reform is very much a matter for deliberation by the cabinet. Consistent with the practice under your government—and I remember when I was sitting on your side of the table, when you were sitting at this side of the table, Senator Wong. What you would have said to me then, and what I am saying to you now, is that matters that are subject to cabinet deliberations are not properly the subject of these sorts of lines of questioning here in Senate estimates. Until such time as the government has made a decision on the way forward, then, of course, you can go your hardest asking us about the reasons for the decisions and the context and the modelling and whatever—you go your hardest. But, in relation to matters related to tax reform, they are very much a matter for consultation by cabinet.

**CHAIR:** Your point is made, Minister. The point is made. If you continue—

**Senator WONG:** I am allowed to ask questions and we will go to the Senate if you are going to stop me asking questions. I am serious.

**CHAIR:** No, I want you to ask questions.

**Senator WONG:** I am over this. I am entitled to ask process questions.

**Senator Cormann:** You can ask process questions.

**Senator WONG:** Thank you. When did the Treasury first commence modelling options for the COAG?

**Senator Cormann:** We might have to take that on notice.

**Senator WONG:** You seriously cannot tell us that?

**Senator Cormann:** I am going to take it on notice.

**Answer:**

The Treasury commenced modelling in relation to ongoing discussions with the States and Territories. The communiqué for the August Council of Federal Financial Relations (CFFR) Tax Reform Workshop indicated that the Commonwealth would further develop the options discussed by Treasurers at that workshop, in consultation with the states and territories, and report back at subsequent CFFR meetings.