



The Hon Nick Greiner AC, the Hon John Brumby and Mr Bruce Carter  
Review Panel  
GST Distribution Review  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Messrs Greiner, Brumby and Carter

We have pleasure in providing to the Review of the GST Distribution a joint submission on behalf of the States of New South Wales, Victoria, Queensland and Western Australia.

The submission is provided in response to the First and Second Interim Reports of the GST Distribution Review of March and June 2012 respectively.

We urge you to take this opportunity for bold reform of the GST distribution system so it stands the test of time.

A population based distribution system, with the Commonwealth Government taking responsibility for funding the additional financial assistance required for States with lower fiscal capacity, is the preferred long term policy position of our four States.

This objective may not be achievable in the short term. An interim step is to move away from the Commonwealth Grants Commission's interpretative approach of full, comprehensive equalisation to a system that gives States the capacity to provide a comparable level of service delivery.

Confidence in any system of fiscal equalisation must be built on the imperative that the GST – the largest component of State revenue – remains untied and is distributed in full to the States each year, consistent with the 1999 and 2008 Intergovernmental Agreements.

Yours sincerely

Barry O'Farrell MP  
Premier of  
New South Wales

Ted Baillieu MLA  
Premier of  
Victoria

Campbell Newman MP  
Premier of  
Queensland

Colin Barnett MLA  
Premier of  
Western Australia

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