



**SENATOR THE HON NICK MINCHIN**  
Minister for Finance and Administration

31 October 2003

Mr Alan Morris  
Chairman Commonwealth Grants Commission  
Cypress Court  
5 Torrens Street  
BRADDON ACT 2612

Dear Alan

I am writing to convey to you Part II of the terms of reference for the Commonwealth Grants Commission to review the methods used to determine and report upon the question of the per capita relativities for distribution of GST revenue grants and health care grants which the Commission would regard as appropriate to apply after 2003-04.

I refer the terms of reference to the Commission for inquiry into and report upon, by 25 February 2004 at the latest, the question of per capita relativities which the Commission would regard as appropriate to apply after 2003-04 for the distribution of the combined pool of GST revenue grants and health care grants among the States, the Northern Territory and the Australian Capital Territory. These terms of reference should be read in conjunction with the Part I of the terms of reference (attached), that were provided to the Commission in 2000.

I have been informed by the Treasurer that the Commission has been kept informed of developments in the drafting process of the terms of reference.

Yours sincerely

**Nick Minchin**