



COMMONWEALTH GRANTS COMMISSION

DISCUSSION PAPER CGC 2001/6

2004 REVIEW WORK PROGRAM

PRIORITIES ISSUES CONFERENCE

CANBERRA

28 SEPTEMBER 2001

AUGUST 2001

1. In May 2000, the Commission and the States agreed on a work program for the 2004 Review, which included the elements listed below. The timing of some elements has changed, but the underlying structure of the program has not (dates mentioned in this paper are the current ones). The current program is as follows.

(i) ***Priority Issues of Principle***. These include the main issues raised in the 1999 Review Report:

- Simplification of Method and Presentation;
- The Impact of Changes in Public Administration; and
- Defining Disabilities.

The Commission issued discussion papers on these matters in October 2000 and received submissions from States.

The Priority Issues Conference provides the Commission and Heads of Treasury with an opportunity to discuss these issues, and how the 2004 Review terms of reference should be interpreted.

(ii) ***Category assessments which required a high level of interaction with the States***. These included the Urban Transit, Debt Charges and Depreciation categories.

A Working Party comprising Commission and State Treasury officers has commenced work on proposals for developing the Depreciation and Debt Charges assessments. The Working Party is expected to report to the Commission by September 2002 and the Commission will reach decisions on the assessment following the General Conference in October 2002.

A Discussion Paper on a proposed new Urban Transit Assessment was issued in July 2000 and discussed at a staff level conference in November 2000. A further Discussion Paper will be issued this month and a staff level conference will be held in September.

(iii) ***Other Issues of Principle and Method — Group 1***. In the 1999 Review Report, the previous Commission identified a number of key areas that it believed required further attention. The parties have agreed they should be accorded a high priority and were referred to as Group 1 issues in the final work program. They include:

- the identification of key drivers of the relativities;
- the tracking of relativities against movements in State economic performance and demography;
- impact of accrual accounting on financial standards and assessments;
- the determinants of school enrolment patterns;
- the concessions and community service obligation arrangements States have entered with service providers;

- socio-demographic composition weights;
- the gambling assessments; and
- the levels of minimum and scale-affected variable costs associated with service provision.

Subject to the outcome of the Priorities Issues Conference, the Commission is at present working towards the preparation of discussion papers on these topics for despatch in November 2001 (May 2002 for the socio-demographic work). States have been invited to make submissions on these issues and other major ones they wish to raise in April 2002. These matters will be discussed at a Commission General Conference in October 2002.

(iv) ***Other Issues of Principle and Method — Group 2.*** These will include assessments or other matters that Commission staff or State officials believe are in need of discussion. Commission staff will issue a discussion paper in July 2002, and the matters covered, and any others nominated by States, will be discussed at the staff level conference in November 2002.

(v) ***No Change Categories.*** The Commission decided that it would not initiate any work during the 2004 Review on any categories that moved less than 2.5 per cent of any State's grant share. With State agreement, it was also able to decide on a number of assessments in which there will be no method changes unless the results of other work flow through to them.

(vi) ***Workplace Discussions.***

- Northern Territory: 28–31 August, 2001
- Queensland: 15-19 October, 2001
- New South Wales: 19-23 November 2001
- ACT: 10-14 June 2002
- South Australia: 24-28 June 2002
- Victoria: 15-19 July 2002
- Western Australia: 29 July – 2 August 2002
- Tasmania: 12-16 August 2002.
- Feb-March 2003: Follow-up discussions with States, if required.

(vii) ***Preliminary Calculations.***

- Preliminary Calculations issued in July 2003;
- Conference in August 2003.

(viii) ***Final Submissions.*** Due in September 2003.

(ix) ***Special Data Collections.*** These have been, or are being, prepared and State views are being sought.

**2004 REVIEW PROGRAM
(AS AT JULY 2001)**

Date	Event	Involvement ¹			
		C	S	H	T
3 August 2001	Papers for Priority Issues Conference distributed.		x		x
28-31 August 2001	Northern Territory Work Place Discussions	x	x	o	o
12 September 2001	Annotated Agenda for Priority Issues Conference despatched		x		
14 September 2001	Officer level Conference on Urban Transit		x		x
21 September 2001	Depreciation and Debt Charges Working Party Meeting		x		x
28 September 2001	Priority Issues Conference with Heads of Treasury in Canberra.	x	x	x	x
15-19 Oct 2001	Queensland Work Place Discussions	x	x	o	o
19-23 Nov 2001	New South Wales Work Place Discussions	x	x	o	o
30 November 2001	Commission Discussion Paper on Other Issues of Principle and Method issued ²		x		
7 December 2001	Depreciation and Debt Charges Working Party Meeting		x		x
5 April 2002	Main State Submissions (covering issues raised in the Commission's November 2001 discussion paper and other issues States wish to raise) due				x
31 May 2002	Commission Discussion Paper on Costs of Providing Services to Indigenous Peoples issued		x		
10-14 June 2002	ACT Work Place Discussions	x	x	o	o
24-28 June 2002	South Australian Work Place Discussions	x	x	o	o
15-19 July 2002	Victoria Work Place Discussions	x	x	o	o
26 July 2002	Commission Discussion Paper on Assessment Details circulated ³		x		
29 July – 2 Aug 2002	Western Australian Work Place Discussions	x	x	o	o
12-16 August 2002	Tasmania Work Place Discussions	x	x	o	o
23 October 2002	Commission General Conference covering major issues of principle and method, depreciation and debt charges, urban transit and Indigenous issues	x	x	x	x
20 November 2002	Officer-level Conference		x		x
28 February 2003	Rejoinder Submissions				x
Feb - March 2003	Final Bi-lateral discussions between Commission and States, if required (previously Oct-Nov, but considered too late)	x	x	x	x
July 2003	Preliminary Calculations circulated		x		
August 2003	Commission-level Conference on Preliminary Calculations	x	x		x
September 2003	State Final Submissions, if required				x

1. C=CGC Members; S=CGC Staff; H=Heads of Treasury; T=Treasury Staff; x=involved; o=some involved.
2. Subject to decisions at the Priority Issues Conference, this discussion paper would cover: key drivers of the relativities; comparing relativities with movements in State economic performance and demography; impact of accrual accounting; determinants of school enrolment patterns; assessments for concessions and other related payments; the gambling assessments; and the scale factor.
3. This discussion paper would cover aspects of assessment methods not covered by the previous paper.