**From:** Anthony Nichols
**Sent:** Monday, 5 January 2015 5:14 PM
**Subject:** Letter from the Treasurer to the Commission on the HFE impact of volatile revenue bases

Colleagues – prior to the Christmas break the Commission received a letter from the Treasurer requesting advice on a possible approach that might mitigate any negative effects of revenue volatility on the GST distribution system. We forwarded a copy of this letter to States.

With apologies for the lateness, but so as to provide States with the maximum opportunity for their input, we are seeking any additional comments, over and above those made in response to the Significant changes since the draft report paper (CGC 2014-04), that States may wish to make in relation to the issues identified in the Treasurer’s letter. In particular, comments should address:

1. The principle of improving contemporaneity in the Commission’s assessments between the assessment and application years (should it be done)
2. How any improvement in contemporaneity could be implemented (how can it be done).

To enable the Commission to have sufficient time to fully consider State arguments at its next meeting, we ask that any comments be provided by no later than COB 15 January 2015.

Regards

Tony Nichols

Assistant Secretary (A/g)

Commonwealth Grants Commission