

FORTHCOMING BRIEFS AND EVENTS

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Establishment of the Policy Transition Group on resource taxation

During the caretaker period, the Government announced the composition of, and terms of reference for, the Policy Transition Group (PTG) on resource taxation. Your early approval, with the Minister for Resources, to formally establish the PTG and to key administrative arrangements and the policy position for projects transitioning into the Petroleum Resource Rent Tax will assist the Group in meeting its terms of reference within the tight timeframe specified.

Resolution of these matters is desirable before meeting with Mr Argus and necessary for the PTG to convene.

Briefing will be provided on this matter.

Contact	Graeme Davis	6263 2078
	Revenue Group	
	Business Tax Division	

Implementing the taxation of alternative fuels

The introduction of an energy-content based fuel excise system for alternative fuels (ethanol, biodiesel and the gaseous fuels) is due to be phased in from 1 July 2011 until 1 July 2015.

This matter will require early attention by the Government as this is a significant change to the excise system and industry will want certainty on how implementation of the measure is likely to impact on them.

A discussion paper on implementing the taxation of alternative fuels is proposed to be released for industry consultation once the caretaker period is over. Consultation on draft legislation is proposed by the end of 2010 to enable legislation to be introduced in early 2011.

A minute, including the discussion paper, on this issue will be provided to the Government shortly.

Contact	Brenda Berkeley	6263 3013
	Revenue Group	
	Indirect Tax Division	

Decision of Commissioner of Taxation v Anstis

On 29 July 2010, the High Court heard the Commissioner of Taxation's appeal from a decision allowing a taxpayer to claim deductions against her Youth Allowance income. The High Court decision is pending, but could be announced shortly.

If the High Court denies the Commissioner's appeal, and depending on the final nature of its decision, there will be significant Budget implications as potentially several hundred thousand Youth Allowance recipients, and perhaps other income support recipients, would be entitled to claim tax deductions for expenses incurred in qualifying for their payment.

A minute on this issue will be provided.

Contact	Tony Coles	6263 3215
	Revenue Group	
	Personal and Retirement Income Division	

Statement on the Conduct of Monetary Policy

As a priority, we would encourage you to sign a new Statement on the Conduct of Monetary Policy jointly with the Governor of the Reserve Bank.

We recommend that you maintain the reference to the register of candidates for Reserve Bank Board appointments, which is jointly maintained by the Secretary to the Treasury and the Governor.

We also recommend several amendments to the current Statement, which would recognise the Reserve Bank's role in ensuring overall stability of the financial system, remove references to raising the statutory independence of the Governor and Deputy Governor, and recognise that the communication initiatives mentioned in the current Statement are now part of the overall communication process.

A minute on this issue will be provided.

Contact	Tony McDonald	6263 3326
	Macroeconomic Group	
	Macroeconomic Policy Division	

National Submission on the G20 Framework for Strong Sustainable and Balanced Growth

All G20 members were required to provide updated national submissions by 20 August 2010, outlining the policies they are implementing to contribute to strong, sustainable and balanced global growth. This will form an important input to the G20 Leaders Summit in Seoul in November.

We have advised that Australia's submission will be provided as soon as possible following the Federal Election. We will provide your office with a draft submission for your approval in the coming days.

Contact	Bill Brummitt Macroeconomic Group International and G20 Division	6263 3011
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Reserve Bank Board appointments

The terms of three members of the Reserve Bank Board expire before the end of 2011.

- Roger Corbett AO (present term ends on 1 December 2010);
- Donald McGauchie AO (29 March 2011); and
- Warwick McKibbin (30 July 2011).

Given lead times, we will be recommending that the processes associated with Mr Corbett's and Mr McGauchie's Board membership are handled concurrently, with a minute on this issue provided shortly.

During this term of government the present term of the Deputy Governor Ric Battellino ends (13 February 2012), and the Governor's term expires on 17 September 2013.

Contact	Tony McDonald Macroeconomic Group Macroeconomic Policy Division	6263 3326
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Productivity Commission appointments

The selection process for new commissioners began in late March 2010, and the selection committee finalised its report in mid June 2010. A minute was sent to the Assistant Treasurer prior to the election being called (Minute No. 2010/1717), but no decision on these appointments was made. To ensure candidates do not take up other opportunities we recommend that an urgent decision be made.

A minute on this issue will be provided as soon as possible.

Contact	Bruce Paine	6263 2713
	Markets Group	
	Infrastructure Competition and Consumer Division	

Australian Consumer Law — regulations

The Australian Consumer Law (ACL) is scheduled to commence on 1 January 2011. Regulations are required to give full effect to the ACL and require the agreement of all States and Territories. The process for undertaking (non-mandatory) public consultation, obtaining state and territory agreement and the making of Regulations means that a four week public consultation would need to commence as soon as possible in September 2010.

A minute on this issue will be provided as soon as possible.

Contact	Bruce Paine	6263 2713
	Markets Group	
	Infrastructure, Competition and Consumer	
	Division	

Aged care

The Productivity Commission has commenced an inquiry into the future delivery of aged care; due to report in April 2011. Structural reform to ensure sustainability of the aged care system may give rise to calls for further government funding, which will need to have regard to the fiscal strategy. Processes and foundation work for a whole of government consideration of this issue should be established as soon as possible. It will be important that the reforms to aged care have regard to the reforms under the National Health and Hospitals Network.

Contact	Peta Furnell	6263 4401
	Fiscal Group	
	Social Policy Division	

SACS equal remuneration case

The Commonwealth is committed to lodging a submission to Fair Work Australia (FWA) for the Equal Remuneration Case of the *Social, Community, Home Care and Disability Services Industry Award 2010*. The submission is to be prepared by the Minister for Employment and Workplace Relations in consultation with relevant Ministers, including the Treasurer, and should be lodged with FWA as soon as is practical, but no later than 16 September 2010.

This is the first equal remuneration case under the new Fair Work system and potentially poses very significant fiscal and service delivery implications for both the Commonwealth, and States and Territories.

A minute on this issue will be provided alongside the Commonwealth's draft submission which is currently being prepared by the relevant Departments.

Contact	Peta Furnell	6263 4401
	Fiscal Group	
	Social Policy Division	

Indigenous Expenditure Report

The inaugural Indigenous Expenditure Report was in the process of being approved by the Treasurer and the Minister for Families, Housing, Community Services and Indigenous Affairs prior to the election being called. The release of the Report is a priority because it was due to go to COAG in mid-2010 and many of the States have already agreed to it.

For further information see minute 2010/1926 Indigenous Expenditure Report of 7 July 2010.

Contact	Peter Robinson	6263 4316
	Fiscal Group	
	Social Policy Division	

Productivity Commission inquiry into Disability Care and Support

The Productivity Commission is undertaking an inquiry into a long term care and support scheme for people with a severe or profound disability not associated with ageing. An interim report is due in February 2011 and a final report is due in July 2011.

Some reforms may involve significant cost so will need to be considered in the context of the fiscal strategy. Processes and foundation work for a whole-of-government consideration of these issues should be established as soon as possible.

A minute on this issue will be provided as soon as possible.

Contact	Peta Furnell	6263 4401
	Fiscal Group	
	Social Policy Division	

Productivity Commission inquiry into Wheat Export Marketing Arrangements

The Productivity Commission's final report on Wheat Export Marketing Arrangements has been completed and sent to the Australian Government for its consideration. Under the *Wheat Export Marketing Act 2008*, the Minister for Agriculture is required to table the report in each House of the Parliament within 15 sitting days of receipt.

Contact	Steve French	6263 3818
	Fiscal Group	
	Industry, Environment and Defence Division	

Murray-Darling Basin Plan

The Murray-Darling Basin Authority is scheduled to release a comprehensive guide to the proposed Murray-Darling Basin Plan on 8 October. Briefing will be provided to you at the time. The guide will include draft sustainable diversion limits, which will cap the volume of water that can be extracted from catchment areas throughout the Basin.

Following an extensive consultation period, the final Basin Plan will be sent to the Minister for Water for consideration and adoption in 2011. The new sustainable diversion limits will not come into force until current state water resource plans expire from the end of 2012 onwards.

Contact	Steve French	6263 3818
	Fiscal Group	
	Industry, Environment and Defence Division	