

Treasurer

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Ms Karen Chester
Deputy Chair
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

29 JUN 2017

Dear Ms Chester

Submission to the Commission's Inquiry into HFE

Please find attached the Tasmanian Government's initial submission to the Productivity Commission's Inquiry into Horizontal Fiscal Equalisation (HFE).

HFE is a fundamental part of the Federation as it ensures that the smaller states have the fiscal capacity to deliver services to their residents that are equivalent to those offered by the larger, fiscally stronger states. Any weakening of HFE would seriously compromise the Tasmanian Government's ability to deliver comparable services to the Tasmanian community.

The submission responds broadly to the two key questions and the additional sub-questions set out in the Commission's Guidance Note issued in May 2017. The information contained in the submission aims to provide compelling evidence in support of HFE to inform the Commission in its inquiry.

The Tasmanian Government recognises the significance of this inquiry, and is happy to make further submissions on particular issues that the Commission may raise over coming months.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Gutwein", with a long horizontal flourish extending to the right.

Hon Peter Gutwein MP
Treasurer

Encl