

COUNCIL ON FEDERAL FINANCIAL RELATIONS

TERMS OF REFERENCE

2021

Chair	The Commonwealth Treasurer.
Membership	<p>The Commonwealth Treasurer and the Treasurers of each State and Territory. The Commonwealth Minister is the permanent Chair.</p> <p>The Chair may invite experts to participate in specific meeting or discussions, as appropriate.</p>
Operations	<p>The Council on Federal Financial Relations (CFFR) reports to National Cabinet, is constituted as a Cabinet body and operates under Cabinet policies and procedures set out in the Cabinet Handbook. CFFR will be supported by Heads of Treasuries.</p> <p>CFFR will meet on a similar basis to National Cabinet, or as required, with routine items to be considered out-of-session as appropriate.</p> <p>CFFR will make decisions on the basis of consensus where possible unless otherwise specified in the Intergovernmental Agreement on Federal Financial Relations (IGA FFR). Where necessary, the principle of one vote per jurisdiction would apply. Decisions must be recorded in formal National Cabinet Minutes.</p> <p>Unanimous agreement will be required for all decisions relating to changes to the rate and base of the GST, subject to clauses A13 – A17 of the IGA.</p> <p>CFFR is a member of the National Federation Reform Council alongside National Cabinet and the Australian Local Government Association.</p> <p>CFFR may engage with relevant portfolio ministers, their agencies and Expert Advisory Groups to deliver on its responsibilities.</p>
Purpose	CFFR will perform a key role in the Federation’s economic response and recovery to the COVID-19 pandemic and broader economic policy matters towards improving the lives of all Australians.
Scope	<p>CFFR will support the work of the National Cabinet as it focuses on job creation.</p> <p>CFFR will collaborate on the fiscal and economic outlook of the Federation and progress economic reform in areas of national significance as tasked by the National Cabinet.</p> <p>CFFR is responsible for all Commonwealth-State funding agreements. CFFR will collaborate on intergovernmental financial matters through its function of oversight of the operation of the IGA FFR and Federation Funding Agreements framework.</p> <p>CFFR’s work program will also include, where relevant, its existing responsibilities under Commonwealth, State and Territory legislation, Funding Agreements and any other governance arrangements.</p>
Review and reporting	CFFR will provide regular updates to the National Cabinet on the progress of its reform objectives and on tasking as requested by the National Cabinet.
Specific actions to progress CFFR responsibilities	<p>CFFR’s priority actions include:</p> <ol style="list-style-type: none">1. collaborating on the Federation-wide response to, and recovery from, the COVID-19 pandemic by pursuing economic reforms to regain and retain jobs and create a stronger economy to improve the lives of all Australians.2. monitoring the fiscal outlook of the Federation and economic conditions.3. progressing targeted reforms as tasked by the National Cabinet including in the areas of deregulation, housing and tax.4. discharging responsibilities as gatekeeper of funding agreements and oversight of the Federation Funding Agreement framework and operation of the IGA FFR.5. oversight of the operation of the GST, including maintaining a performance agreement with the Australian Taxation Office in respect of its efficient and cost-effective administration of the GST and discussion of Commonwealth Grants Commission recommendations regarding GST revenue sharing relativities prior to the Commonwealth Treasurer making a determination.