



Legislative Assembly for the
Australian Capital Territory

Select Committee on the Fiscal
Sustainability of the ACT

Submission Cover Sheet

Inquiry into the Fiscal Sustainability of the ACT

Submission number: 001

Submitter: John Bell

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Ms Jo Clay MLA
ACT Legislative Assembly
Canberra

Legislative Assembly review of ACT finances

Dear Ms Clay

Congratulations on this initiative. I have some suggestions for you:

1. This review provides an excellent opportunity to put pressure on the federal Government to undo the special deal that Prime Minister Morrison did for Western Australia to give that State more than their fair share of the revenue from GST. I suggest that you get a credible economist to calculate how much the ACT has lost as a result of the Morrison change – both since the change was made and for the next decade if it remains in place.
2. I suggest that you invite Dr Khalid Ahmed to brief your Committee. As you know, he is very well qualified to explain the issues around ACT finances.
3. I also suggest that you ask the Commonwealth Grants Commission to explain their fiscal equalisation process. I have found that there is very little understanding in the community about how this works. In particular, there needs to be a better understanding about what adjustments are made to the ACT's share of GST and the rules that underpin these adjustments.
4. We also need to understand how other capital cities finance their needs. Ottawa, Berlin and Washington could provide ideas on how we can justify a bigger share of the GST to enable Canberra to fulfill its role as the nation's capital.
5. The federal Government is unlikely to agree to paying payroll tax to the ACT. However, it should not be difficult to calculate, each year, how much payroll tax would have been payable if the tax applied to federal Government departments and agencies. This amount could then be allocated to the ACT outside the GST distribution process.

I am copying this letter to your colleagues on the Committee.

Yours sincerely,

John D Bell


13 December 2025