

Meetings between Federal Treasurer and the Member for Wentworth				
Date	Time	Location	Attendees	Topics to be discussed
Tuesday, 8 November 2022	17:00 - 17:20	Treasurer's Office, APH	Treasurer	Policy Discussion - Taxation (see attached document)
			Member for Wentworth	
			Senior Adviser, Member for Wentworth Office	
			Senior Adviser, Treasurer's Office	
			Senior Adviser, Treasurer's Office	
Monday, 1 August 2022	17:00 - 18:00	Committee Room, APH	Treasurer	<p>Crossbench Economic Outlook Briefing</p> <p>As part of the Government's desire to provide the Parliament with a current and comprehensive understanding of the economic conditions, the Treasurer wishes to offer all independent and crossbench MPs and Senators a fiscal and economic briefing. This would be with the Treasurer and the Treasury Secretary.</p>
			Secretary of the Treasury	
			Member for Goldstein	
			Member for Kooyong (accompanied by Adviser)	
			Member for Mackellar (accompanied by Adviser)	
			Member for Wentworth (accompanied by Adviser)	
			Member for Fowler (accompanied by Adviser)	
			Member for North Sydney (accompanied by Adviser)	
			Member for Warringah (accompanied by Adviser)	
			Member for Clark (accompanied by Adviser)	
			Member for Kennedy (accompanied by Adviser)	
			Senator Pocock (accompanied by Adviser)	
			Senator Tyrell (accompanied by Adviser)	
			Senator Hanson (accompanied by Adviser)	
Senator Lambie (accompanied by Adviser)				



Allegra Spender MP

FEDERAL MEMBER FOR WENTWORTH

14 April 2023
The Hon. Dr Jim Chalmers MP
Treasurer
Parliament House
Canberra ACT 2600

Dear Treasurer,

Jim

I write to raise a number of issues with you relating to last month's tax roundtable, spending integrity, and how to make it easier for business to implement government regulatory changes.

Tax roundtables

I would like to formally acknowledge my appreciation for you sending staff to the Expert Roundtable on Tax Reform, which I hosted in Parliament last month. The feedback was positive and I hope your staff felt it was a useful discussion.

This was the first of a series of roundtables we will hold over the course of 2023, bringing together other tax experts and policymakers with business, community, social sector and union groups. Our goal is to build as much consensus as possible around what we would like the broad shape of the tax system to look like in 2035, while being relatively agnostic as to the exact level of spending.

As this develops, I would appreciate an opportunity to brief you and your staff on this, as well as continue to invite your staff in any of the roundtables.

Spending integrity

Given the highly uncertain economic environment we face at present, and mounting concerns over the size and persistence of the Budget's structural deficit and the Commonwealth's debt burden, I think it is important to consider institutional changes that would help to improve the quality and integrity of public spending.

I support your desire to measure well-being in the budget, and think this could be a framework for a much stronger focus on the outcomes of government spending and its effectiveness. My interest in this is sparked by time working in a public teaching hospital in the UK, where my role was to improve the quality of care for patients, while either saving money or holding budgets steady.

Economic evaluation is one of the most useful tools available to policymakers and it is regrettably underutilised by the Commonwealth. Although economic evaluation forms part of the impact analysis process recommended for new policy initiatives by the Department of Prime Minister and Cabinet, a review of the published analyses suggests that it is not consistently used or used to a sufficiently high standard. The perception certainly seems to be that these evaluations are little more than a box-ticking exercise to be undertaken once policy decisions have already been made.

Properly done, periodic economic evaluation of new — and, more importantly, existing — programs



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offers an opportunity to clearly establish the net benefits of each activity by government, demonstrating where the government is providing value for public money and where there is a need for programs to be reformed, cut back, or sunsetted. The identification of reliable, comparable benefit-cost ratios (BCRs) offers an opportunity for economic policymakers, such as yourself, to make better informed decisions about resource allocation within and between government departments. This could unlock productivity improvements right across the public sector, as public funds are invested in the activities which create the greatest impact and value for the community.

Transparent use of BCRs as a tool for guiding government activity could also transform policy debates, providing greater depth and rigour to discussions about various policy options, and would also encourage use of pilot programs to test impact before national implementation.

Significant work would be required before economic evaluation could be adopted at scale, which the Government could support in as a long-term investment in improving spending integrity. It could have a considerable impact on the public sector and the policy outcomes enjoyed by the community.

Regulatory Initiatives Grid

In its first year, the Albanese Government has legislated a number of reforms which affect the business community and which will generally have a positive impact on our country, and I am aware that there are more to come. However, the pace of reforms has placed considerable strain on some sectors and there is concern that changes are not being settled before another reform cycle begins.

There is an opportunity to improve the sequencing of reform so that businesses are able to genuinely consult with reforms prior to the introduction of legislation and to stage their implementation so businesses are not, for example, managing significant industrial relations at the same time as significant change in their operations or governance activities.

The UK Government has adopted a Regulatory Initiatives Grid to help manage reforms within the country's financial sector. This is led by the Financial Conduct Authority in conjunction with other UK Treasury portfolio agencies, and essentially involves mapping of the regulatory reform pipeline and sequencing reform activity so that entities or functional areas within the sector are not trying to consult on or implement multiple, complex, high-impact reforms simultaneously. Although the Grid is an imperfect tool, it nonetheless appears to have been a useful coordination device.

I would strongly encourage the Government to consider how a tool like this could be deployed within an Australian context, potentially initially being applied to the financial sector but eventually being rolled out more broadly. I believe this would help to ensure businesses are more involved with the policymaking process and also have the greatest-possible opportunity for implementing reforms to achieve desirable policy outcomes.



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I hope you will consider these suggestions in good faith, and would like to express my appreciation for you making time to meet with myself (as well as other members of the crossbench) to discuss our ideas and concerns.

Yours sincerely,

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Allegra Spender MP

Independent Member for Wentworth