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## Terms of Reference

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### **HORIZONTAL FISCAL EQUALISATION SYSTEM**

To inquire into and report upon the impact of the Commonwealth Horizontal Fiscal Equalisation (HFE) system as assessed by the Commonwealth Grants Commission (CGC) as it applies to Tasmania's expenses and delivery of services with particular regard to:

1. Tasmania's assessed and actual expense per capita per category compared to the National average expense per capita per category;  
and
2. Impact of direct Commonwealth payments on Tasmania's GST receipts.