**Outline of potential report structure (to guide further work)**

As outlined in the LTFI document there are five sections to the e61 report:

1. Outlining the fiscal position with some simple descriptives about aggregate spending and taxes, and the fiscal challenges.
2. Discussing revenue challenges – largely work from the internal report.
3. Discussing spending challenges (the section we are drafting here).
4. Short-termism and related case studies.
5. Summarising key insights and reform direction they point to.

Our goal is to create a structure for that third section (noting some of the material can shift into sections 1 and 5 itself as we build a self-contained narrative). The full report is due on 1 October, so this specific section is due in draft on 1 September (to allow time for feedback and integration to a full report).

**Spending section structure**

* Describe the overall fiscal stance and the importance of consolidation.
  + Position this aggregate stance alongside the performance of other countries and high level drivers.
* Decompose this into contribution for specific sectors.
  + Highlight the areas that have contributed to cost growth.
    - Specific line items.
    - Clusters of spending.
* Provide benchmarking of spending items.
  + Highlight how “differences from benchmark measures” may change the story above.
* Deep dive on important items.
  + Goal of these deep dives is to understand more about the quality, quantity, and price dimensions of the adjustment observed. Are we providing more services or have services become more expensive? What is the trade-off associated with lower spending on this item in terms of service delivery.
  + **Note**: Good to pull in the NDIS team next week to see if there are things we can borrow from their work on this.
* Project out and spending:
  + Where are natural spending pressures going to create future budgetary pressures (a quickly rising benchmark).
  + What areas appear to be exceeding estimated benchmarks through their projected spending path.
* Room for fiscal targets – discussion of trade-offs.

**Motes from DSS meeting on RR note (unrelated to this)**

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