

HANSARD
9 March 2010
GOODS AND SERVICES TAX REVENUE — WA SHARE

Dr M.D. NAHAN to the Treasurer:

As a result of this government's strong financial management and willingness to make tough decisions in the best interests of the State in difficult times, WA retained its AAA credit rating. As we move forward I am concerned by the news that the Rudd Labor government is planning to slash WA's share of GST revenue to a paltry 68c for every dollar of GST paid. Can the Treasurer please inform the house of the impact this unfair move will have on WA families and businesses?

Mr T.R. BUSWELL replied:

That is probably the best question I have been asked since I have been here! On Saturday night my wife and I were in the mosh pit at the AC/DC concert. A lot of people there wanted to know about this very topic! It is very topical with my new friends from the member for Wanneroo's electorate.

Tomorrow morning at seven o'clock, the Premier, Minister for Health and I will meet with Wayne Swan. A range of topics will be on the table for discussion—health, as the Premier has indicated; the Henry tax review, as the federal government attempts to pinch our capacity to charge royalties on our own resources; and I am sure that the GST issue will be discussed.

I am interested to hear the soon-to-be departed, moving towards the back door, member for Rockingham, the state-funded candidate for Canning, make some comments. I would like to see what the member would put on the public record.

Point of Order

Mr M. McGOWAN: Mr Speaker, I would request that the Treasurer withdraw the slur that he just made against the member for Armadale. What he had to say was quite clearly unparliamentary, and I ask that he withdraw it.

The SPEAKER: Member for Rockingham, in my recollection of what the Treasurer said, I did not hear the name Armadale mentioned, but I did hear the name Rockingham mentioned.

Questions without Notice Resumed

Mr T.R. BUSWELL: That is an outrageous thing to accuse a person of—being the member for Rockingham! I do apologise in all sincerity. Let me tell members what has happened. The Commonwealth Grants Commission last week handed down its five-year review report. There is some good news in it for Western Australia.

The commission recognised at last that high-population-growth states, such as Western Australia and Queensland, have additional challenges when providing capital infrastructure.

It is an argument that we have been making for a long time, and I am sure it is an argument that the now Leader of the Opposition made for a long time. I think it is a good outcome for Western Australia.

But there is some bad news in it as well for Western Australia, and the bad news revolves around the technicalities of the averaging model that the commission uses. It has gone from five years to three years, which will have a huge impact on Western Australia in the next financial year. The extent of that impact is effectively this: next year we will lose \$443 million of goods and services tax payments.

Mr E.S. Ripper: Compared to what base?

Mr T.R. BUSWELL: We are losing \$443 million of GST payments. Let me tell the Leader of the Opposition what that is. It is \$196 for every single person in Western Australia. What we have is the most unfortunate situation in which Western Australia, the Western Australian government and the taxpayers of this state are investing in the economic and social infrastructure that will be driving the Australian economy into the twenty-first century, providing the economic growth that Kevin Rudd and Wayne Swan will live off and will no doubt campaign off at the federal election, and we get punished for it.

This is the sort of punishment we get: we lose \$443 million, New South Wales gets an increase of \$227 million and Victoria gets an increase of \$233 million. It is another clear example of states that are prosperous and work hard and move ahead —

Mr E.S. Ripper: Treasurer, I make you this offer. I will join the Premier in meeting with the Prime Minister on this issue. My shadow Treasurer will join with you in meeting with the Treasurer on this issue. Will you accept that offer?

Mr T.R. BUSWELL: I do not accept that. We all know that the Prime Minister would rather meet with Borat than meet with the Leader of the Opposition. We are not going to let him go to the eastern states and get everyone confused about this. If he does not know Kevin Rudd, he should get one of his federal colleagues to introduce him. We are not taking him. He should go himself. The other point is this, and it is a very, very important point.

Several members interjected.

Mr T.R. BUSWELL: Wayne Swan is here tomorrow. Maybe he gave the member a call; I do not know. Our share of GST revenue is dropping to 68c in the dollar. We have 10 per cent of the population. If we got only our fair share, next year we would be \$1.5 billion better off.

With \$1.5 billion we can build a lot of schools; with \$1.5 billion we can repay a lot of debt; with \$1.5 billion we can fix up a lot of roads, and it is money that we do not have. The other thing that it does—I will close with this—is to put our budget surplus next year under extreme pressure.

With a stroke of a pen, the federal government will cut \$443 million from our bottom line. When we talk to Wayne Swan we will be talking about phasing in the shift from five to three years. We will be talking about introducing some flaws on relativities.

We will be talking to him about bringing forward Kevin Rudd's promised infrastructure fund for Western Australia. We will be reporting dutifully back to the Parliament about the support that they provide to our government as we build the engine room for the Australian economy of the twenty-first century.