

POOR AUSTRALIANS, STATES' RESPONSIBILITY

**1016. Mr D'ORAZIO to the Premier:**

Will the Premier outline the Government's response to the proposal by the commonwealth Minister for Finance and Administration that the States will have to take on more responsibility for looking after poorer Australians?

**Dr GALLOP replied:**

Yet again, the Commonwealth Government has tried to shirk its responsibility, and there is more to come. Last week, the federal Treasurer -

Mr Trenorden: You look more and more like Richard Court every day.

Dr GALLOP: The former Premier did pretty well. The Leader of the National Party's endorsement is not a bad one, because for all the criticisms I have made about the former Premier, he won two elections and governed for two terms. I thank the Leader of the National Party for his endorsement.

Last week, the federal Treasurer released an intergenerational report that identified the financial impact of our ageing population. The Commonwealth should have taken a national approach to this issue, because it is an issue with which both the Commonwealth and the States must deal. However, the intergenerational report looks only at the impact that our ageing population will have on the Commonwealth. The report reveals that after 15 years, commonwealth spending will exceed revenue. By 2041-42, this gap will grow to five per cent of the gross domestic product. The Commonwealth Government's answer to this issue is to let the States provide the solutions and the funding. Senator Nick Minchin stated that the States would have to take on more responsibility in looking after poorer Australians. He also stated - as has the Leader of the Opposition - that the States are receiving a bonanza from the goods and services tax revenue. However, both the State Government and the people of Western Australia know that the GST revenue has yet to match the level of revenue that was received under the previous tax system.

I remind Senator Minchin that in the 2002-03 commonwealth budget that was brought down last week, commonwealth revenue increased by 4.5 per cent. Without the tax increases that were introduced in the State Government's budget, Western Australia's revenue would have risen by just 0.8 per cent. With the tax increases, it will go up by 1.8 per cent. The Commonwealth Government has a totally false view about what is taking place in the States. If it attempts to shift the responsibility for these issues onto the States through the GST revenue, it will certainly meet resistance from State Governments and from the people they represent.

The State Government is getting a bad deal from the Commonwealth, and a bad deal from the Commonwealth Grants Commission -

Mr Barnett: You sound like a broken record.

Dr GALLOP: The record will continue to turn, as it did under previous Liberal Governments and has done under my Labor Government, until Western Australia receives a fair deal. When I was the Leader of the Opposition, I supported Richard Court whenever he went to Canberra to press Western Australia's case. However, when I travel to Canberra to press the same issue for Western Australia, the Leader of the Opposition does not give me any support because he is too close to John Howard to be distinct from him. We must fight for the interests of Western Australia. The Leader of the Opposition and the Liberal Party will not fight for Western Australian interests. Senator Minchin has it all wrong - the States are under enormous pressure. He will have another think coming if he attempts to shift the intergenerational issue onto the States. The States will resist that move.

Mr Barnett: Have you spoken to him?

Dr GALLOP: The press release was put out yesterday by my good friend the Treasurer. The Leader of the Opposition is negative, negative, negative. He must understand that there is a difference between opposing the Government of Western Australia and opposing the State of Western Australia. He does not understand that we should be united in our efforts to press the Commonwealth for a fairer deal for the State. I hope that all members of Parliament will support the Government on this matter. I also hope that the colleagues of the Leader of the Opposition will encourage him to do so.