

BUSINESS TAX REFORM

1094. Mr D'ORAZIO to the Treasurer:

I refer to the release of the Government's white paper on business tax reform. Will the minister explain the reception it received by the business community and the community at large?

Mr RIPPER replied:

I thank the member for some notice of this question.

The Government commissioned a review of business taxes. We honoured a pre-election promise in doing that. We received a report from the review and we released a draft white paper in response at a CPA Australia function last Friday morning. At that launch I pointed out that business tax reform would put all of us to the test. It will certainly test the Government's resolve to press ahead with tax reform in the long-term interests of the State. It will also test the business community's ability to weigh up the overall benefits of the package. We do not want to see people simply cherry picking and undoing the financial integrity of the package by taking the best parts and trying to pass the disadvantages on to others. I am pleased to say that the business community has responded in the way that I have asked it to respond: it is weighing up the net effect of the package. I believe it will make constructive suggestions during the consultation phase. Lyndon Rowe, of the Chamber and Commerce and Industry, said in an ABC radio interview -

I think the Treasurer is right, I think you do have to look at this as a total package . . .

The chamber's press statement said -

Overall, the changes will simplify tax administration considerably and reduce the compliance burden on business.

The Insurance Council said -

The combination of these reforms will help Western Australia achieve a fairer, simpler and more efficient tax system which eases the tax burden on businesses and householders.

The Real Estate Institute has some complaints about the package, but even it said it was a step in the right direction. I commend the business community for its response.

As usual, there was a fly in the ointment, a knocker and a whinger. Guess who? Yes, it was the Leader of the Opposition.

Mr Kobelke: No, it was not!

Mr RIPPER: Yes it was. It was a very predictable response. He condemned the plan to replace the payroll tax scale with a single marginal rate of six per cent because not everyone would be a winner. He said we should get rid of payroll tax altogether. What a blinding insight! How would we pay for that?

Of course, the Liberal Party has been down this track before. I recall the 1993 election campaign, during which the Liberal Party presented a proposal on payroll tax. *The West Australian* of Tuesday, 19 January 1993, stated -

Mr Court said if Federal coalition leader John Hewson won Government in Canberra payroll tax would be abolished by October next year; if Dr Hewson did not win the tax would be phased out over two terms, with the first round of reductions in the first year.

Of course, members opposite might suggest that Richard Court was misquoted. However, he appeared on the *7.30 Report* and said -

I mean, it's an absurd tax and it's one where we have had the courage to come out, put on the table how we're going to abolish it.

The Liberal Party had its chance. Did it reduce total state taxes during its eight years in office? No. Did it tackle reform of state taxes as this Government has done? No, it did not. The Liberal Party's record speaks for itself. The Opposition has no credibility on this issue.