

GST DISTRIBUTION

**702. Ms M.J. DAVIES to the Premier:**

This question is in light of the plea the Minister for Tourism just made.

I refer to the upcoming Council of Australian Governments Treasurers' meeting scheduled to occur on 3 October. Will the Premier provide a guarantee to this house that this McGowan Labor government will support the federal government's proposal to reform the GST—that is, transition to a new benchmark that ensures that the fiscal capacity of all states is at least equal to that of New South Wales or Victoria; introduce a relativity floor of 70c per person, per dollar of GST collected, rising to 75c in 2022–23; and that no state is left worse off through the commonwealth topping up funding to the GST pool?

**Mr M. McGOWAN replied:**

I think this was a dorothea dixie! We welcomed the package announced by the federal government when it announced it. The then Prime Minister of Australia called me to discuss it with me on the day it was announced. We both agreed that it was a good outcome. I remember standing in a car park in Derby when I was speaking to him. We support the package that the federal government brought forward. We are seeking from the federal government actual details of what it is and we are seeking confirmation of the top-up payments to Western Australia taking us to 70c in the dollar so that we can book that into our budget. We would like that confirmation as soon as possible from the federal government.

Just so we understand what we are talking about here, I think over the next eight years it is around \$4.7 billion. Just so that we know, under that arrangement, we will still be subsidising the rest of Australia to a large degree, and, even if it is 70c or 75c in the dollar, our GST share will still be at the lowest any state has ever received, other than Western Australia over the last five or seven years or so. Although I think it is the best outcome we could hope for in the circumstance, it still sees Western Australia subsidising the other states, particularly the Liberal states of Tasmania and South Australia, to an enormous degree. But it is one of the best outcomes we could hope for.