

TAX REFORM

514. Ms M.J. DAVIES to the Treasurer:

I have a supplementary question.

The SPEAKER: Order! Of course, a supplementary is just a brief question.

Ms M.J. DAVIES: Thank you, Madam Speaker, for the guidance.

If tax reform cannot be undertaken during buoyant economic times, when is the right time, and can we assume that there will be no tax reform by this government over the next four years?

Mr M. McGOWAN replied:

We are in the middle of a global pandemic. Governments all over the world are in terrible financial positions; we are one government in the whole world that is not. Members may recall that during the election campaign, Standard and Poor's, fortuitously, released a report showing that our financial position as a subnational jurisdiction was amongst the best in the entire world. Funnily enough, WA and North Rhine–Westphalia in Germany had the two best budgets in the entire world. That is a good position to be in. It allows us to fund things like COVID-19 relief, a massive infrastructure program, a women's and babies' hospital, a desalination plant, the biggest infrastructure program ever seen in regional WA, and massive investment in new health funding. It allows us to do that without racking up deficit and debt. It is economics 101. What do we do? Does the Leader of the Opposition want us to rack up deficit and debt or continue on the financial pathway that we are on, which is to pay down debt this year and very carefully manage the state's finances across the forward estimates?

Threats to the state are coming from everywhere. The New South Wales government is one. COVID coming in is another, which is also related to the New South Wales government. The iron ore price—which declined, I think, \$5 or \$7 last night—has come down to \$US120 in the last three months. That is another threat to the state. Not giving away our revenue base is important for us not getting into a deficit and debt position that other governments around Australia and the world are in. That is our position. I remind the Leader of the Opposition that when she was in office, her government, with record revenues, put up taxes one after another.