PUBLIC ACCOUNTS COMMITTEE


MR J.R. QUIGLEY (Mindarie) [2.54 pm]: I present for tabling the first report of the Public Accounts Committee entitled “Report on the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations”.

[See paper 440.]

Mr J.R. QUIGLEY: In presenting this report, I would like to acknowledge my fellow committee members on the Public Accounts Committee. This report is a unanimous report - a bipartisan report - of the Public Accounts Committee.

The question of reference in the report was whether the state of Western Australia has honoured the written terms of the Intergovernmental Agreement on Financial Relations. The committee took evidence from Professor Greg Craven yesterday. Although that evidence is not appended to this report because the final copy of the Hansard has not been settled by the professor, I am able to inform the house that the report notes that he was unequivocal in his opinion that Western Australia was not in breach of the intergovernmental agreement.

Additionally, the committee sought an opinion from - I cannot quite hear myself, Mr Speaker.

The SPEAKER: Order!

Mr J.R. QUIGLEY: Additionally, the Public Accounts Committee sought and obtained an opinion from Mr Malcolm McCusker, QC, one of Western Australia’s leading Queen’s Counsel, which opinion was dated yesterday, 18 May 2005. Mr McCusker also opined that Western Australia was not in breach of the Intergovernmental Agreement on Financial Relations. I will not speak further on the substance of the report because Mr McCusker’s opinion is appended to the report and is available for all members of the house to study.

Having noted that the conclusions in the report itself received bipartisan support, I thank Professor Craven once again for his work and the bipartisan nature of the report that, as chairman of the committee, I can present to this house today.

DR S.C. THOMAS (Capel) [2.56 pm]: I was a member of the Public Accounts Committee that reviewed this matter. I will address the Premier about this issue. I confirm the bipartisan nature of the report and support for this report. It was very strict in its terms of reference, which were to specifically consider whether Western Australia had breached the terms of the intergovernmental agreement signed in 1999. I confirm that Western Australia has not infringed the terms of that agreement.

This state has been in conflict with the commonwealth of Australia since 1897, although the state had not been officially founded at that stage. The first attempt by a Western Australian to change the proposed Constitution of Australia was made by Sir John Forrest in 1897 to enable a better financial return for the state. He spent almost the next 20 years, attempting to the best of his ability, to look after the state of Western Australia.

I quote briefly the words of John Langoulant who, at the time the intergovernmental agreement was signed, was the Under Treasurer. When referring to the relationship between the commonwealth and the states, he said -

They get their backs up and we get the sort of interminable cycle of accusation and counter-accusation currently dominating the debate.

You get a coercive relationship occurring between the Commonwealth and the States and the whole partnership starts on the wrong footing rather than one of a partnership and co-operation.
The Public Accounts Committee would specifically like to consider changing that. The first step in that consideration was to make sure that this debate was furthered in an era of truth and honesty rather than merely opinion. Within that era, this committee, in a bipartisan way, gives the Premier permission to argue that Western Australia did not indeed breach the conditions of the intergovernmental agreement.

However, it does not give the Premier carte blanche to say, in a moral sense, whether taxes should be present or absent.

**Dr G.I. Gallop:** That is a political debate.

**Dr S.C. Thomas:** That is a political debate and the PAC expects such a debate will occur fully and properly in this house. On that occasion, I might find myself on the opposite side of the fence!

**Dr G.I. Gallop:** You never know.

**Dr S.C. Thomas:** In my maiden speech, which the Premier did me the honour of sitting through, I referred to the first legislation new members faced - the One Vote One Value Bill, which, in my opinion, was party-political legislation. I said that I hoped my future in politics would not be based on party-political agendas but, hopefully, will be blended in and based on truth and honesty. I put myself to that test in this committee. I hope that the proof of the pudding will be in the eating when I approach this in a manner that befits this place. I look forward to a full and proper debate on whether those taxes should be included in future.

**MR M.P. Whiteley (Bassendean) [3.00 pm]:** I will make a brief comment on the tabling of this report. At issue was one question: whether Western Australia breached the intergovernmental agreement. The question was based on the meaning of the word “review”. The state government was obliged to review a range of state government taxes. That is what was written in the agreement, so the key issue was what was meant by the word “review”. The federal Treasurer effectively said that he thought that the word “review” meant “to abolish”. The Premier and the Treasurer both said that they thought that “review” meant “review”. I am a fairly simple man and not a lawyer, but even to me it was obvious that “review” meant “review”. I was greatly relieved when Professor Greg Craven and Malcolm McCusker, QC validated that view and confirmed that “review” meant “review”.

I congratulate the members for Capel and Stirling in particular on their contribution, and also the other two members. It was a promising start for them and demonstrated their ability to work in a bipartisan way and arrive at the truth of what was basically a very simple issue.