

GST DISTRIBUTION

940. Ms M.M. QUIRK to the Treasurer:

We will try not to put them off.

I refer to the McGowan Labor government's long and hard fight in securing a fair share of the GST for Western Australia. Can the Treasurer outline to the house how the GST reform secured by this government is delivering a fair and sustainable outcome, and can the Treasurer outline what this government's message is to the Liberals in New South Wales in their attempts to overturn the reforms to the distribution of the GST?

Mr B.S. WYATT replied:

My message is not just for the Liberals in New South Wales, but for Liberals everywhere, because this is one of the great reforms that this government managed to achieve not long after coming to government in 2017. Since we did that reform to make our GST distribution fair and sustainable, I must admit that I have been keeping an eagle eye mainly on South Australia and Tasmania, which I thought might come at us for another go, and maybe also the territories, because the commonwealth has basically put in all the GST money to support them and withdrawn its commonwealth support. I did not think it would come so early from New South Wales. I want to make this point very, very clear: New South Wales has not lost one cent in GST revenue as a result of the reform that we successfully implemented with the commonwealth government—not one cent! This is the New South Wales government trying to blame one of the most significant reforms for Western Australia on its diabolical budget management. That is all it is trying to do here. That disgrace that is the New South Wales budget now has its Premier saying, “Actually, it's all because of Western Australia”, despite the fact that all the reform we have done to get a fair and sustainable outcome for Western Australia simply means we get 70 per cent of our GST. I remind the house that currently New South Wales is sitting on 91.8 per cent of its GST revenue. To give members some idea, over the last decade, that has been, through GST revenue alone, a subsidy from Western Australian taxpayers of \$30 billion to the other states and territories of Australia. Even with our reform, over the next decade, that subsidy is going to be in the order of about \$16 billion.

There is no way that the reform that this government managed to achieve with the commonwealth government is in any way unfair or unsustainable. I want to remind members that this is what the New South Wales Premier is saying is unfair. If we went back to the old system—because, ultimately, it is driven by royalties, as most people in this place will know—we would have to raise nearly \$10 billion in royalty revenue to keep \$1 billion. That is what Gladys Berejiklian, the Premier of New South Wales, is saying is fair. That is what she wants to go back to. But there is no way that the McGowan Labor government is going to cop this. There is no way that the people of Western Australia are going to cop this. If New South Wales is going to increase its net debt projections by a factor of 300 per cent, it should own its decisions. It is not revenue writedowns driving that. There is a range of very large budget blowouts that have been covered off in the New South Wales budget as a result of that. The disgrace that is the New South Wales budget, the capitulation on financial management, is in no way the result of the GST arrangement that we successfully negotiated with the commonwealth government. I will finish on this point: the New South Wales budget has not lost one cent as a result of the GST deal we did with the commonwealth government—not one cent. I say to New South Wales: own your decisions, own your budgets, because Western Australia is not going to cop that for one minute.