

GST DISTRIBUTION — STATE FINANCES

931. Dr A.D. BUTI to the Treasurer:

I refer to the McGowan Labor government's commitment to getting the state's finances back on track and paying down the record debt inherited from the previous Liberal–National government. Can the Treasurer outline to the house how the McGowan Labor government will ensure that every Western Australian benefits from the new goods and services tax deal we have secured; and can the Treasurer advise the house whether he is aware of any alternative plans that have been peddled that would do nothing to address the state's debt problem?

Mr B.S. WYATT replied:

I thank the member for Armadale for the question.

I feel a little as though my thunder has been stolen by the Premier on a couple of points, but it is the right of the Premier to steal the thunder of other members of cabinet. I congratulate all members in Western Australia, as the Premier has already done. Before I make a few comments, I want to congratulate a group of very dedicated public servants who have worked for consecutive governments in the Department of Treasury and who have done all the modelling work and put all the effort into the drafting of submissions—everything. Some of them go back as far as 32 years in the revenue and intergovernmental relations team within the Department of Treasury and are led by its very able director, Kirsty Laurie. I thank Alex Scherini, who has been there for 30 years; Michael Schipp; Peter Cox, who has been there for 32 years; Rebecca Gale; Bruce Horwood; Jake Prendergast; Mark Spencer; and Reyno Seymore. Anyone who has been a minister certainly appreciates the effort that our public servants put into making the case on behalf of the government of the day. It is not just these people who will, hopefully, revel and celebrate, albeit briefly, this significant victory by the Western Australian government because this is an ongoing challenge that we face vis-a-vis the Commonwealth Grants Commission. The Commonwealth Grants Commission at no point accepted there was a problem with the system—none. It would come over here and defend it day in, day out, which is why it required political leadership to get this outcome. Indeed, the Commonwealth Grants Commission sent a signal to Western Australia the day after the bill passed the Senate, by releasing its latest discussion paper that suggests that it will return to a very flawed method of considering our iron ore royalties by grouping them with coal. That will effectively assume a higher royalty rate for iron ore, and if that comes in post-2020–21 it will see a couple of hundred million dollars a year taken out of the WA budget. The Commonwealth Grants Commission is going to do all it can to unwind this political solution that has been resolved between the state and federal governments, and people within Treasury will be protecting Western Australians from the black box that is the Commonwealth Grants Commission.

I want to make one point, because I have been intrigued by a vast array of advice to the government about where the money could be spent. I think perhaps the member for Churchlands was most verbose by saying it should be spent on health, education, law and order, regional services and reduced debt! Once the money is spent, member for Churchlands, there is not much left to reduce debt! According to my notes, the shadow Treasurer said —

Mark McGowan must now commit to easing pressure on household charges in future budgets.

The Leader of the Opposition said it should pay down debt and ease financial pressure on households. But the Premier has already outlined the best one: the wonderful media statement —

Several members interjected.

The SPEAKER: Member for Churchlands, I have warned you three times. I call you to the order for the first time.

Mr B.S. WYATT: It was a wonderful media statement of 5 July 2018—I think the Premier might be right; it might have been put out by the office without any consultation with the Leader of the Opposition—with a headline in bold “McGowan must use GST windfall to pay down debt”. The first sentence reads —

The McGowan Government should allocate any ... revenue from the Federal Government's planned changes to the GST distribution to pay down debt, the State Opposition said today.

The state opposition said that! I assumed that was what all the opposition said, but they are all now running around finding all sorts of wonderful things upon which to spend the money. However, what we learned under the term of the former government is that you cannot spend a dollar twice, so we will not be doing that—or three or four times, as the former government's budgets did, Liberal Party of Western Australia.

We are allocating those top-up payments to the debt reduction account. That is the one sure-fire way every single Western Australian will benefit from this significant reform to federal–state relations. That will hopefully ensure that we do not get a sort of rapacious Liberal Party in the future, wanting to get its hands on it and spending it on all sorts of different things—oh, and at the same time paying down debt. That is why the former government lost government with the authority that it did. We will be treating this money with the respect it deserves. It sounds like a lot and it is a lot, but let us put it in perspective; it is about six months' funding for the health budget of Western Australia. Let us take that and put it to good use by ensuring debt gets paid and interest payments are therefore reduced.

