

GST DISTRIBUTION

**114. Dr D.J. HONEY to the Premier:**

I have a supplementary question. Will the Premier obtain a written guarantee from the Prime Minister to guarantee our GST share, because that is not what the PM said?

**Mr M. McGOWAN replied:**

It was this government that secured it. I have been in the Parliament—I kid you not—for 26 years. I remember when the Liberal government signed up to the GST in 1998. I was sitting over there. Actually, I was sitting where the Leader of the Liberal Party now sits. That is where I was sitting. I remember that the then Premier—Premier Court—was arguing in favour of the GST arrangement. I remember that the shadow Treasurer Eric Ripper was standing there saying that we had no guarantee of how low our share would go. The thing about the GST is that it removed a range of state taxes. Therefore, because it removed those state taxes, GST became a bigger share of the state's revenue. When it became a bigger share of the state's revenue, it was subject to this rise and fall. By having that rise and fall in place, it jeopardised the state's revenue, even though if we were getting back a reasonable share of \$1 or so, our revenue would be stronger. Because it could literally go down, which it would but for this arrangement, to 10¢ in the dollar, we were vulnerable. That vulnerability has dramatic impacts on state finances because the revenues can go down and up. But who fixed it? We were elected in 2017, and what happened then? The commonwealth government worked with us to fix it.

I remember that Premier Barnett tried; he railed against it, talked and argued and went public, but nothing happened. Then Western Australians elected a new Labor government and that shocked the Liberal–National government members in Canberra. They could not believe it! Western Australia elected a Labor government and they thought that they had better work with us, and so we worked with them. We got huge amounts of money for transport—rail and roads. We got money for infrastructure and we got the GST fixed. That is what we did; we worked with them.

As I have said before, my predecessor, whom I hold absolutely no ill will against, did not want to talk to the commonwealth government. He had a policy. He used to stand there and say that he did not need to talk to the commonwealth government. However, I have a policy of talking to the commonwealth government. Within a week, I went and met with Malcolm Turnbull and I told him that he needed to fix this and that it was in his own interest to do so. To be fair to him—he is now the most hated man in the Liberal Party, or formerly in the Liberal Party, I suspect—he listened, and we worked together. I also worked with Scott Morrison, and, as I have said before, contrary to most people, I got on with him. I was actually grateful that he worked with us and we secured the outcome, so it was good for the state.

The member comes in here criticising us when he should be saying that the Western Australian Labor government secured a great arrangement from the commonwealth government, and we have now had a reassurance by federal Treasurer Chalmers. Long may that continue.