

GST DISTRIBUTION

277. Ms C.M. COLLINS to the Premier:

I refer to the hard-fought efforts of the McGowan Labor government to finally secure a fairer share of GST to Western Australia.

- (1) Can the Premier update the house on the growing campaign by other states to overturn the fair and equitable GST deal that this government secured for WA?
- (2) Can the Premier outline to the house how this government's record of responsible financial management compares with that of other states, in particular, New South Wales?

Mr M. McGOWAN replied:

I thank the member for Hillarys for the question.

- (1)–(2) It is true that in 2018 we managed to secure a better arrangement on the GST distribution for Western Australia that ensured that we got a minimum of 70¢ in every dollar we put in. We fixed the flawed deal that was entered into by the Liberals and Nationals in 1999, state and federal, that so badly damaged Western Australia's finances. The deal that was entered into by the Liberals and Nationals meant that our share hit 30¢ in the dollar and stayed below 38 per cent from 2012–13 onwards. I was very pleased that this government was able to secure a better deal. Under the deal, we still receive only 70¢ in every dollar we put in. At this point in time, New South Wales receives 96¢ for every dollar that it puts in. I find it very galling and disturbing that the New South Wales government is now complaining and leading the charge in trying to overturn Western Australia's fair share. It said in its budget release yesterday that it will continue to advocate for overturning the deal. I can confirm, Madam Speaker, that it does that regularly in many of the meetings that I am involved in. The Berejiklian–Barilaro government is undertaking that advocacy to overturn the GST arrangements.

The first claim that the New South Wales government makes is that the deal means that other states are subsidising Western Australia. Give me a break! According to the latest data, in 2018–19 Western Australia's net contribution to the national revenue of the country—that put in versus what we get back—was around \$17.4 billion that we subsidised the other states. Per capita, that was \$6 600 per Western Australian. That is five times the net contribution of what New South Wales puts in and 100 times the net contribution of what Victoria puts in. That means that since 1986, Western Australia's total net fiscal contribution has been more than \$257 billion. We have provided \$257 billion. Throughout the pandemic, of course, we have been the backbone of the nation's economy. We poured billions of dollars into federal coffers and ensured that other states were the beneficiaries of all that effort on the part of the state.

The second claim by New South Wales is that it “is inequitable and unfair to other states” that GST revenue is directed to Western Australia when Western Australia is running a surplus. Essentially, because of this government's strong financial management, we should be penalised. That is the argument it is putting. This is from the New South Wales state government: in 2017–18, it had negative net debt. It sold off all its assets, which meant it had negative net debt four years ago. It is now projected to take that out to \$103 billion. It sold all its assets, went down to less than zero debt—in fact, it was in positive territory—and now it is going to \$103 billion. Instead of taking responsibility and dealing with it, it blames Western Australia. New South Wales should stop trying to rob our state and actually look after its own budget.

Mr V.A. Catania interjected.

Mr M. McGOWAN: Here we have one, Madam Speaker—Mr Barilaro and Mr Joyce's friend over there; the National Party member, John Barilaro and Barnaby Joyce's mate over there! He conducts himself in a very similar way to both those gentlemen.

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, I ask you to stop interjecting, please.

Mr M. McGOWAN: We will continue to take up the case against New South Wales and other states that are continuing to undermine the GST arrangement that we secured on behalf of the people of Western Australia, and we will continue to fight them.