



LEADER OF THE OPPOSITION

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Hon Nick Greiner, Hon John Brumby and
Mr Bruce Carter
GST Distribution Review
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sirs

On behalf of WA Labor I welcome the Goods and Services (GST) Distribution Review. It is good to see a Federal Government at last taking up this issue.

WA Labor has long held the view that the current distribution of the GST retards national economic growth by punishing States for strong economic performance.

In 2001, the then Gallop Government combined with the NSW and Victorian Governments to launch an inquiry into Commonwealth-State financial arrangements. This independent review was led by Professor Ross Garnaut and Dr Vince FitzGerald.

Despite findings that a radical overhaul of the GST distribution system would be in the national interest, the reform challenge was not taken up by the then Federal Treasurer. Nevertheless, the review was supported by three States and still provides a worthwhile foundation for future reform. The present review should consider its findings as the foundation for a new system for distributing the GST.

The Final Report of the *Review of Commonwealth-State Funding* (the Garnaut FitzGerald review) can be found at
http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0016/1267/finalrep.pdf.

I urge you to consider a radical reform of a complex and opaque system which has completely lost its legitimacy in the Western Australian community.

Yours sincerely

Eric Ripper MLA
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