

REVENUE WINDFALLS — TAXATION CUTS

199. Hon PHIL EDMAN to the Minister for Finance:

I refer the minister to the statement by the opposition this week again implying that the government has spent billions of dollars in windfall revenue that should be used for substantial tax cuts, with an emphasis on revenue from public corporations. Can the minister indicate whether there is windfall revenue from public corporations that could be used to provide the billions of dollars in tax cuts being called for by the opposition?

Hon SIMON O'BRIEN replied:

I thank Hon Phil Edman for his continuing interest in state finances. Although I was away on urgent parliamentary—

Several members interjected.

The PRESIDENT: Order!

Hon SIMON O'BRIEN: Although I was away on urgent parliamentary business when Hon Ken Travers made the statement on Tuesday evening, I read with interest in *Hansard* about how he was most upset. Even though he came close to acknowledging that state tax revenue is down \$2.64 billion, which was stated in response to his demands that we cut taxes by \$2 billion, he also made some other claims. He challenged me to come back into the house and give an account of what I was saying, because he disagreed with the propositions that I was putting. Just a few minutes ago, before afternoon tea, when he was delivering another diatribe attacking everyone in the government, he again invited me to come into this house and respond to the very same matter. Serendipitously, Hon Phil Edman—as if he had planned it with Hon Ken Travers—has just happened to ask this question, and I am delighted to offer a brief observation.

I refer to Hon Ken Travers' comments on Tuesday night. I will have to refer to the uncorrected *Hansard*, because I was not here to be attacked. Amongst other things, having acknowledged that state tax collections are down by \$6.24 billion, he said —

There are a number of different sources of revenue for the government—

That is, sources of revenue that could be drawn on to provide \$2 billion in tax cuts. He said —

One source of revenue that we could look to, apart from Western Australian state taxation, is revenue from public corporations.

Then he tells us how much money is being extracted from public corporations. That is where this chap with his forensic skill, as the Leader of the Opposition calls it, in matters financial says we will go to find \$2 billion just lying around as windfall revenue to give us tax cuts.

Unfortunately, if members go back to the actual facts, if they have recourse to the budget papers, particularly budget paper No 3, *Economic and Fiscal Outlook*, published for 2008–09, 2009–10 and 2010–11, and look at those figures, they will see something very interesting, particularly when contrasted with the *Pre-election Financial Projections Statement* from 2008. Members will find that there is an increase, year by year, in the budget revenue from corporations as the size of their operations grow. The trouble is that the only thing Hon Ken Travers did not say when he was trying to mislead the member and the rest of the house on Tuesday night was that budget expenses for corporations are higher than what we get from them in the first place. Indeed, in this year the revenue to the budget from corporations will be \$1.06 billion, but the budget expenses that we give to the corporations is estimated to be \$1.62 billion; over four years it works out, if we look at the figures, at about a \$2 billion payment to corporations, not receipts from corporations. Therefore, that is another own goal for the member, but I thank him for the invitation for me to come back into the house to clarify some of the state revenue matters that he clearly does not understand.