

LIBERAL PARTY POLICY — TAX REVENUE WINDFALLS

**812. Hon KEN TRAVERS to the Minister for Finance:**

I refer to the Liberal Party's 2008 election policy document titled "Securing the economic future of Western Australia", and in particular the commitment to return to taxpayers through lower tax rates any unforeseen tax revenue windfall.

- (1) Does the Barnett government consider any of the \$1.6 billion surplus announced today as an unforeseen tax revenue windfall; and, if so, how much?
- (2) If yes to (1), will the government honour its election commitment and lower taxes by this amount?
- (3) If no to (1), what does the Barnett government consider as an unforeseen tax revenue windfall?

**Hon SIMON O'BRIEN replied:**

I thank the member for his question.

- (1)–(3) I guess the member can probably presume to lecture the government because there were some unforeseen tax windfalls in the Labor Party's time in government. What we have, though, with the figures in the report that I tabled this morning, is the final outturn for the 2010–11 financial year. In that, an operating surplus of just over \$1 600 million was demonstrated. For the detail of that, I refer the honourable member to the report I tabled this morning. In that he will see in summary terms a number of factors that led to an evolved outcome from the outcome that was anticipated at the time the 2010–11 budget was initially brought down. He has a good understanding of how these matters work, and I am sure he would not seek to be mischievous in any way. I thought that he would have examined the document by now; perhaps he has had only a cursory glance because, if he had had a proper look at it, if he had the time, he would not be asking this question. Hon Ken Travers would have noticed that a very large part of the figure is a paper figure relating to capital works expenditure across a range of portfolios, which, in many cases, has subsequently occurred, but it has occurred after 1 July. Similarly, there have been significant savings achieved through economies. I am sure all members —

**Hon Ken Travers:** You would accept that revenue is up as well.

**Hon SIMON O'BRIEN:** I will come to that in a moment.

After the capital works expenditure pattern, the largest source of extra revenue has been sourced through savings that have been achieved through good financial management. Indeed, we are finally seeing the benefits now of the assertion of this government of financial discipline with salaries and general expenditure. Finally, there has been extra income—I told the member I would get to it —

**Hon Ken Travers:** You normally do!

**Hon SIMON O'BRIEN:** Additional revenue has come in, off the top of my head, at about \$145 million. As the member would have seen, this gives us the capacity to apply these funds already to future funds specifically for the new children's hospital and for the Perth stadium. They are very significant dividends. The benefits of good financial management are being passed back to the people of Western Australia. However, in relation to tax relief in addition to that which has been announced in several previous budgets, and in relation to changes in policy over the past few years since we were elected, there are still of course further budgets ahead, which I know the honourable member will await with keen interest.