



Andrew Wilkie MP
INDEPENDENT MEMBER FOR CLARK

Submission to the Productivity Commission inquiry into the 2018 Goods and Services Tax (GST) distribution reforms

I welcome the opportunity to provide a submission to the inquiry into the 2018 GST distribution reforms.

The GST is Tasmania's largest single source of revenue and provides significant funding for essential services in the state. As such, fair and equitable distribution of GST revenue is critical to Tasmania and to my constituents in the electorate of Clark.

The 2018 changes were grossly unfair on all states and territories except Western Australia. It is clear they were ultimately a political fix agreed by both the Liberal and Labor parties to curry favour in the west. They have corrupted the principle of horizontal fiscal equalisation and provided Western Australia with a significantly and disproportionately higher share of GST revenue compared with other jurisdictions.

The changes are also proving to be financially unsustainable for the Federal Budget, as evidenced by the significant outlays required under the no-worse-off guarantee payments the Commonwealth has provided other states and territories.

The puerile bleating on this issue by the Government of Western Australia should be ignored as they have a blatant interest in maintaining their unfair largesse. I urge the Productivity Commission to recognise the need to return to full horizontal fiscal equalisation for the Federation.

Yours sincerely

Andrew Wilkie MP
Independent Member for Clark

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