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WA senator backs Barnett

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WA Liberals have swung behind Premier Colin Barnett's refusal to sign up to Kevin Rudd's health reforms and warned they may use their influence to sink the Prime Minister's "attack on federalism".

Senator Alan Eggleston said he was "backing Colin all the way" and applauded Mr Barnett for being the only State or Territory leader to stand up to Mr Rudd, saying the deal would weaken WA's financial power and threaten its autonomy.

"There are implications for the financial relationship between the Commonwealth and the States because the GST was set up as a dedicated funding stream for the States," Senator Eggleston said.

"The question arises as to whether the States would be entitled to reinstate the taxes they abolished in agreeing to set up the GST.

"I would imagine that the WA Government would be giving some consideration to restoring some of those State taxes."

Senator Eggleston's comments, backed by several of his colleagues, underscore Mr Rudd's need to reach a compromise deal with the Premier. Mr Barnett does not oppose contributing a third of WA's GST to a joint hospital fund, but he wants the GST sent to WA first.

Opposition Leader Tony Abbott has not ruled out voting against the health reforms.

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