

Hon Pierre Yang; Hon Dr Steve Thomas; Hon Stephen Dawson; President; Hon Darren West; Hon Diane Evers;
Hon Dr Sally Talbot; Hon Aaron Stonehouse; Hon Martin Pritchard; Hon Laurie Graham

2019–20 STATE BUDGET — SURPLUS

Motion

HON PIERRE YANG (South Metropolitan) [1.07 pm]: With honour and pride, I move —

That this house notes that the state budget is back on track, with an official surplus delivered for the first time in five years, thanks to the responsible financial management of the McGowan Labor government.

I am proud to be a part of the McGowan Labor government, which has really steered the state and its economy in the right direction. This motion was originally going to be moved on 5 June 2019. When that did not happen, I heard members opposite claim that I was gagged. Members opposite may not know the Australian Labor Party, and I tell them that the great Australian Labor Party is a party of great democratic traditions—we do not gag people. The reason behind that move was to allow more time for the house to debate priority legislation prior to the winter recess. Members opposite fail to appreciate that. As a matter of fact, I am actually very happy that the motion was not moved on that day, because on 6 June, the very next day, the credit agency Moody's upgraded the Western Australian economy from Aa2 to Aa1. That is just another piece of evidence in the abundance of evidence of the financial management of the McGowan Labor government.

Let us look at the background of where we have come from and what we have done. In the 2016–17 financial year, after enduring almost nine years of the Liberal–National government, Western Australia and Western Australians were truly struggling. We were in domestic recession, with our economy contracting 1.8 per cent. State debt was \$33 billion.

Hon Colin de Grussa: How is the unemployment rate going?

Hon PIERRE YANG: I will come to that, honourable member.

In contrast, it was only \$3.6 billion when the Liberal–National government took over back in 2008. After losing the Aaa credit rating in 2013, WA's economy was downgraded to negative in 2015 and the credit rating was further downgraded to Aa2 in 2016. The seasonally adjusted unemployment rate in Western Australia was 6.5 per cent. It was rather a bleak picture. The state of Western Australia was on its knees economically. Against this backdrop, the McGowan government was elected by the people of Western Australia to repair the budget and to bring the state back on track, and since being elected the Premier, the Treasurer and all the ministers of the McGowan Labor government have worked tirelessly on this.

Since coming to this place I have made a number of speeches on the economy of Western Australia. For example, on 23 August 2017, I discussed the former Liberal–National government's financial management, or lack thereof, which resulted in the tremendous hardship of Western Australia at the time. The contrast between the former Gallop and Carpenter governments and their economic record and that of the former Liberal–National government could not be more stark. Eight budget surpluses were delivered between 2001 and 2008. State debt was reduced to \$3.6 billion, as I just mentioned. On top of this, the Mandurah railway line was built debt free. That was under the leadership of Hon Alannah MacTiernan, who is sitting with us today. At that time the government also set aside money for Fiona Stanley Hospital. The Aaa credit rating was obtained, and there were five rounds of tax cuts between 2003 and 2008.

I spoke again on 14 August 2018, and at that time I congratulated the McGowan Labor government for its very sensible and responsible 2018 budget. I drew members' attention to the remarkable turnaround of WA's economy at the time. In that speech I said that in just over a year the budget deficit had been halved and we were on track to have a budget surplus in the next few years. Obviously, the 2017–18 budget was just the beginning of an astonishing turnaround. I was wrong. I was wrong in saying that we would see a budget surplus in the next few years, because we saw a budget surplus the very next year. That was a remarkable turnaround of \$3 billion—\$3 billion from the deficit of \$2.5 billion in 2016–17. In 2019–20, the current financial year, we will see a budget surplus of \$1.5 billion. Budget surpluses are expected to continue over the next few years to reach \$2 billion in 2022–23. Such an outstanding result is the direct result of the McGowan Labor government's responsible financial management.

Managing public sector expenditure is a fundamental pillar of being financially responsible. During the term of the last Liberal–National government, general government expenses were out of control, with an average increase of 6.4 per cent annually. If one thinks an annual growth rate of 6.4 per cent was unsustainable, and, I hasten to add, irresponsible, during the first term of the Liberal–National government the annual increase was 8.6 per cent. When Labor came to office, general government expenses growth was only 1.9 per cent in the 2017–18 financial year, the lowest rate since 1993–94. According to the 2018–19 midyear review, growth is expected to be 2.5 per cent. General government expenses growth for the current financial year is estimated to be 1.5 per cent, and then there will be an average increase of 1.3 per cent per annum for the coming years.

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I am an ordinary bloke and I like to keep things very simple. This is how I understand it: individuals, a company, an organisation or a government have to live within their means. If they live within their means, they do not have to take on lots of debts. If they do not take on lots of debts, they do not have to pay lots of interest to fund those debts. When they start to make some savings, they can start to pay down the debts. It is just commonsense, and it seems that the former Liberal–National government did not grasp that. In fact, if general government expenses had not been not reined in, it was predicted by Standard and Poor’s Global back in February 2018 that our state debt would have been set to reach \$56 billion, and we would have become the most indebted state or territory in Australia. At that time, S&P Global also estimated that the interest repayments would have reached \$1.3 billion a year by 2020–21. More alarming was that when Labor was last in office, the debt-to-revenue ratio was only 19 per cent, but after eight years of a Liberal–National government, the ratio was 82.3 per cent. I will give credit where credit is due. Some of the debt was money borrowed to pay for Perth Stadium, Elizabeth Quay and other projects, but in the last years of the Liberal–National government money had to be borrowed to pay for everyday expenses such as public sector wages and maintenance. That surely cannot be sustainable. Because of the McGowan Labor government’s responsible financial management, state debt was only \$36.3 billion in 2018–19, in contrast with what was predicted by international ratings agencies. It is expected to peak in the current financial year to \$37 billion and will then start to decrease across the forward estimates. In 2022–23, it is predicted to be \$35.6 billion.

The McGowan Labor government’s effort to turn the economy around has been recognised by others, such as the credit ratings agencies. I mentioned the credit upgrade in June. I also wish to add that in October 2018 Standard and Poor’s revised the economic outlook for Western Australia from negative to stable, and it said that it was partly because of the government’s disciplined spending restraint. Earlier this year, in January, Moody’s lifted the economic outlook for the state from Aa/stable to positive and acknowledged the government’s strong fiscal result. Also, as mentioned, this was when we saw the economy start to turn around, and the first budget surplus was delivered in the last financial year. The decision by Moody’s also means that the state government will pay a lower interest rate on the debts that it has. It is also estimated that a saving of \$20 million a year on interest repayments will be achieved. That is a magnificent result.

The credit rating agency was not alone. The Chamber of Commerce and Industry of Western Australia also welcomed the credit upgrades. Mr Rick Newnham, former chief economist of the CCI, said that the commitment to budget repair was now paying dividends for Western Australians and that the state government should be congratulated for its efforts. He said further that it might be boring, but that responsible fiscal management must continue if we wanted to avoid spending \$1 billion a year on interest repayments. The chief executive officer of the CCI, Mr Chris Rodwell, said that the Premier and the Treasurer deserved congratulations and that it was their leadership that led us to this place. I could not agree more with that assessment by those fine gentlemen.

Although the McGowan Labor government is working on controlling general government expenses and recurring expenses, it is also working very hard supporting projects and initiatives that will create jobs for Western Australians. It is our election commitment to the people of Western Australia to deliver jobs to WA. I am proud that the McGowan Labor government is delivering what we promised the people of Western Australia. In just over two years since coming to office in 2017, 37 000 jobs have been created, including 27 000 full-time jobs. The McGowan Labor government has an ambitious plan to create 150 000 jobs, and there are more to come. Although the Metronet project will ensure that WA has the necessary road and rail infrastructure for the future, it also has the benefit of creating jobs for Western Australians. It includes projects such as the Bayswater station redevelopment; the Morley–Ellenbrook rail line—we now know the actual route, which is a great outcome—the level crossing removal along the Armadale rail line; the Thornlie–Cockburn link in my electorate; and the Yanchep rail extension. All have the great benefit of creating jobs for Western Australians. The government is also heavily investing in other road infrastructure and bringing total investment to \$4.2 billion over the next four years, which in turn will create 28 000 jobs.

I want to mention a few projects in the South Metropolitan Region. There was \$49 million to widen Kwinana Freeway northbound between Russell Road and Roe Highway; \$237 million to build the Armadale Road and North Lake Road bridge; and \$145 million to widen Armadale Road between Anstey Road and Tapper Road.

Western Australia is renowned for its abundance of natural resources. I think we are the lucky state of the lucky country. The mining and resource sector is very important and has contributed significantly to the state and to the people of Western Australia. It is very important to support the mining and resource sector. At the same time, it is also very important to diversify our economy. Industries such as tourism, international education and agriculture are all upcoming industries that will help to diversify our economy and also create more jobs for Western Australians. The government will invest \$10 million to create new routes and increase direct flights to WA to attract international visitors to our great state. It is expected that 5 000 jobs will be created as a result.

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With the McGowan Labor government's unwavering resolve, the unemployment rate decreased from 6.5 per cent in March 2017 to 5.8 per cent in June 2019. Those figures can be abstract for some, but they indicate to members of Parliament and to the public that thousands and thousands of Western Australians are now employed. Now they have jobs, they are able to bring food to the table for their families, put petrol in their cars, pay their children's school fees and also pay their rents and mortgages. Knowing that many Western Australian families are doing it tough, the government is doing all it can to support Western Australian families and to minimise increases to utilities and other government charges. Power prices will increase just 1.75 per cent in the 2019–20 financial year. The overall charges for an average household will rise by only two per cent. This is in contrast to the 90 per cent increase during the eight and a half years of the Liberal–National government and the horrendous 57 per cent rise during its first term.

As a result of the McGowan Labor government's effort, the Western Australian economy grew by two per cent during the 2018–19 financial year. Our economy is forecast to grow by 3.5 per cent in the 2019–20 financial year, and three per cent in the year after. This is a magnificent turnaround. The Premier, the Treasurer and all ministers of the McGowan government deserve congratulations. It is their leadership that saved Western Australia from the disastrous situation that we were left in by the former Liberal–National government.

Hon Michael Mischin: Shall we make him chairman for life?

Hon PIERRE YANG: Member, that is not the theme of my speech. We can talk about that next time.

In my speech on the 2018 budget, I said that that budget would make WA great again, and I am very positive that the 2019 budget will make Western Australia even greater. I commend this motion to the house and urge members to support it.

HON DR STEVE THOMAS (South West) [1.27 pm]: I stand with great pleasure to give a short response on behalf of the opposition to the motion moved by Hon Pierre Yang. The member's motions before the house normally have some substance and it is unusual for him to come up with the sort of drivel that is usually left to Hon Dr Sally Talbot to present. I do not understand why he would —

Several members interjected.

The PRESIDENT: Order! Listen, we are on day 2. Let us not sink too low before we get entrenched in the session. The member might want to refocus his comments and not focus on individual members.

Hon Dr STEVE THOMAS: I thank you for your guidance, Madam President.

Let us consider a few basic facts. I feel as though it is groundhog day; we have discussed this. Members opposite are competing to see who can present the most drivel. I did not want to mention Hon Darren West because the President has decided that we should concentrate on the facts at hand. This is groundhog day because we discussed much of this for an hour yesterday and some simple basic facts were laid out. However, obviously simple basic facts are not sufficient for those opposite, so let me try to make them a little more simple and a little more basic and see whether we can get the message through.

The 2017 budget papers delivered by the McGowan Labor government had revenue of \$28.457 billion. By the 2019 budget, that figure had risen to \$31.334 billion. This government has received additional revenue of \$2.877 billion over two years—an increase of 10.1 per cent. This government has significantly more money than it had previously—\$2.877 billion—at a point when it is boldly claimed by the member opposite that it can take credit for a surplus in the 2018–19 financial year of half a billion dollars. There has been a \$2.877 billion increase and it managed to get a budget surplus of half a billion dollars, but where has that come from? Let us look at the budget papers as presented. We mentioned this yesterday, so for members opposite who struggle to understand the economic arguments —

Several members interjected.

Hon Dr STEVE THOMAS: They are calling out, Madam President. They are happily identifying themselves.

I have here page 5 of the *Quarterly Financial Results Report* on the January to March accounts of the previous financial year. The second dot point on page 5 states that royalty income for that financial year is up \$486 million. I seek leave to table this page.

Leave granted. [See paper 2902.]

Hon Dr STEVE THOMAS: This is \$486 million of additional royalty income, on top of \$700 million to \$800 million of additional GST revenue supplied by the commonwealth government. The government, with this motion, is proudly proclaiming that it managed to develop a budget surplus, but it developed that budget surplus

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on the back of the largesse of the coalition federal government and higher iron ore prices. The numbers in the budget are undeniable.

Several members interjected.

The PRESIDENT: Order! I appreciate that people may not like what they are hearing, but I also have to note that the member on his feet has some difficulties with his voice at the moment, and if Hansard cannot hear what that member has to say, it makes it difficult for them to do their job. I am asking members to give the member a bit of grace, and let him say what he has to say.

Hon Stephen Dawson interjected.

The PRESIDENT: Without interruption, minister.

Hon Dr STEVE THOMAS: It is a pity that the minister cannot call members to order.

The simple facts do not need expansion. It is a simple point of fact that this government has been on the receiving end of massive additional revenues, and it is only on the back of massive additional revenues that this government has had any capacity to get anywhere near a budget surplus. On that basis, because it is too difficult to explain economics in a more complex manner, I propose to amend the motion.

Amendment to Motion

Hon Dr STEVE THOMAS: I move —

To delete all words after “budget” and substitute —

in the 2019–20 budget papers reports a general government estimated actual accrual budget surplus in 2018–19, thanks to the GST resolution provided by the federal coalition government and an increase in iron ore royalty revenues.

HON PIERRE YANG (South Metropolitan) [1.33 pm]: I find it very interesting that members opposite —

Point of Order

Hon STEPHEN DAWSON: It would be useful, given that the member has moved this amendment, if it could be circulated before the debate continues.

The PRESIDENT: Correct, member—I had made the assumption that that had already been done, but it is being done now. We might just wait till that is distributed before I give the call back to Hon Pierre Yang.

Debate Resumed

Hon PIERRE YANG: Thank you, Madam President. I was about to say that I find it rather interesting for the member opposite to pontificate on the Liberal Party’s economic management. Who led us into the financial situation that we saw back in 2017? It was the Liberal–National government of this state. It caused all sorts of hardship to ordinary Western Australians. I find it unbelievable for the Liberal Party to criticise the McGowan Labor government on its financial management of the state. I will not support the member’s amendment.

HON DARREN WEST (Agricultural — Parliamentary Secretary) [1.34 pm]: I also oppose the amendment to the motion. I find it interesting that the Barnett Liberal–National government was clearly the worst financial manager in Western Australian history. It completely trashed our economy and totally destroyed our finances, giving us debt and deficit on a scale that had never been seen in history. When the McGowan government comes in, rights the ship, straightens up the books, delivers a surplus and then brings that good news into the Parliament so that it can be debated for all Western Australians to hear—it is their money—the Liberal member, in this case, displays to everyone in Western Australia that the Liberal Party still does not get what it did in its eight years of government, and it fails to recognise the turnaround and responsible financial management of the McGowan Labor government. The member wants to water down and change this motion so that it does not look like the mess that the McGowan government inherited was the previous government’s doing, when of course it was. Everybody outside this Parliament knows that.

This is an unnecessary amendment. It takes away from the intent of the motion moved by Hon Pierre Yang, who, as the member pointed out, always presents quality motions, and this is yet another one. When we want to debate something that is a matter of fact, and that the people who elect us know to be a matter of fact, the member wants to amend that matter of fact so it does not look quite so bad for the Liberal Party, looking back on the years of the Barnett government. It is an unnecessary amendment, and I encourage the member in the future to perhaps put forward his own motion if he wants to try to blur the course of history and the poor financial management of the Barnett Liberal–National government, and debate that motion at another time. This is the motion of Hon Pierre Yang, and I think it is quite offensive that the member wants to change a motion that Hon Pierre Yang

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has thought about and put up. He always brings quality motions to this place. I think we should debate the original motion and reject the amendment.

HON DIANE EVERS (South West) [1.37 pm]: This is a new one on me. I have often wondered about these motions on notice, especially when we see some of the ridiculous motions that have been put up in the past. This one really calls to mind the question of what the point is of motions on notice. If we are just going to be in here thinking about “he did this; she did that” and just going back and forth, we are not actually debating anything. As Hon Dr Steve Thomas said last time, we could be using this time to debate something useful. This amendment, which basically contradicts the original motion, makes me wonder what the point of the original motion was. We could all be asking the same thing. What is the point of contradicting it and just debating the other side of it, which is just as ridiculous? I do not understand why we cannot use this time more usefully by debating something of substance—maybe that would make some point. However, here we are going on and wasting time—I have seen this done many times before—when we know that there are many more important things we should get on to. As I have seen over the past two years, we let each other play the game and continue with the motion as it has been put, trying to just pass the time, it seems. Speaking for the Greens, we will not support an amendment that basically takes away the opportunity of one side of the room to speak on the issue as members see it. We each have our opportunities at this time of the week, and this happens to be Labor’s opportunity to debate the motion of its choice. To amend it to something that basically makes it the Liberals’ choice makes no sense. The issue we are debating right now raises the question of what the point of motions on notice is. I would really like to maybe see that debated so that we can find out what we are trying to do with this two-hour block in our week, rather than just amuse each other and try to score political points that we will maybe put up on Facebook one day. I would like to just get on with the motion as it is and get to the end of this session.

HON DR SALLY TALBOT (South West) [1.39 pm]: I do not think Hon Diane Evers is alone in saying that. I was not going to speak on the motion, but I will speak on the amendment. It is an outrageous amendment. The reason we should reject the amendment is not just that it is game playing, but that it negates the intent of the original motion. Why come in here and do this? As I have said many times in this place—I have been quite consistent about this—Hon Dr Steve Thomas knows what this is about. He knows how to read a budget paper. He had eight and a half years out of this Parliament. I will tell Hon Dr Steve Thomas, because it must be news to him, that the most terrible thing happened to the state budget. It was not because of falling iron ore revenues, and it was not because of the imbalance in the GST distribution that accrued over that decade or two. It was because we had a completely irresponsible Liberal–National government that sprayed money around as though it was standing on the Narrows Bridge and throwing it into the Swan River.

During the eight and a half years of the former government, the then Premier was on the record as saying to his Minister for Sport and Recreation, when he went to him for funding for a sports centre, “We’re running out of money, mate.” That is how it went. We had eight and a half years of, “We’re running out of money, mate.” It was not eight and a half years of, “We’ve got to watch what is happening to the GST parity.” It was not eight and a half years of, “We’ve got to look at what’s happening to the iron ore price.” The former government did not talk about those things for eight and a half years. It just sprayed money around this state as though it was manufacturing money in its backyard. The former government’s whole economic and financial policy was to continue to spend money as though it was manufacturing it.

At the end of that time, this state was on its knees. That is why the people of Western Australia voted for the McGowan Labor government. They voted for the McGowan Labor government to fix the budget. That is what we promised to do. That is what we said at the beginning of the campaign, that is what we said on the day we walked into government, and that is what we have not stopped saying for the last two and a bit years. We have to fix the budget, because, until we fix the budget, we cannot spend money on delivering services and providing resources for the people of this state.

This is just game playing. Hon Dr Steve Thomas has moved a motion that does not even make grammatical sense. He obviously did not run it past people like Hon Nick Goiran, who knows how to write a sentence in good English. The fact that the motion does not even make grammatical sense tells me that during those eight and a half years, Hon Dr Steve Thomas did not read the former government’s budget papers. Hon Dr Steve Thomas was not in this Parliament during that time. Does anybody who is not a member of Parliament actually read the budget papers? Probably not—they probably have better things to do. Hon Dr Steve Thomas is probably a better person for not having read the budget papers for those eight and a half years.

I had to read the budget papers, because I was sitting on the other side of the house, trying to hold that mob to account. During those eight and a half long years, I got as far as budget paper No 3 of every budget. If members had looked at the projections in budget paper No 3 during those eight and a half years, they would have seen how crucially and catastrophically wrong the Liberal–National government got those projections. Look at what that government projected for GST revenue. Look at what it projected for the iron ore price. It got it wrong for eight and

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a half years—not once or twice, but for every single budget. During most of those budget debates, we were led by Hon Ken Travers, who, as all members will remember, took a forensic approach to the budget papers. At every budget debate, we would say, “You’ve got it wrong in budget paper No 3. Look at what you’re estimating for the iron ore price. Where do these numbers come from?” Not once was any member of the former government able to explain that to us.

Members opposite stand condemned by their actions during those eight and a half years. For Hon Dr Steve Thomas to come into this place and try to play this cheap trick, with a motion moved by a member who is relatively new in this place and who was going through the impact of proper budget management on his electorate—which he knows like the back of his hand—is an absolute disgrace.

Several members interjected.

Hon Dr SALLY TALBOT: Members opposite should not come in here and play those tricks. If they have something to say, come in here and explain how they got budget paper No 3 wrong in every one of those years. They should explain how they will campaign on economic management, when they left this state in economic ruin, and they know they did.

Several members interjected.

The PRESIDENT: Order! Members, the question is that the words to be deleted be deleted. I am just waiting for members to calm down.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [1.44 pm]: I stand to indicate that I, too, will not be supporting the amendment to the motion moved by Hon Dr Steve Thomas. In fact, I, too, am shocked at the outrageous action by Hon Dr Steve Thomas. Not only am I shocked; I am deeply disappointed. Hon Dr Steve Thomas is normally a good team player, a good contributor and a good legislator in this place, but evidently he has been sucked in by his colleagues on that side.

I know that Hon Dr Steve Thomas was not in this place for the last eight and a half years, as Hon Dr Sally Talbot pointed out, so we cannot really blame him for the disastrous financial actions of his colleagues to the left of him. However, we can certainly blame each and every one of them, many of whom were ministers in the Barnett–Nahan–Harvey government. All members opposite were part of that. They should be ashamed of themselves for playing games today.

I am deeply disappointed that Hon Dr Steve Thomas would seek to hijack what I believe is an absolutely factual and fantastic motion moved by Hon Pierre Yang. I am deeply disappointed, Hon Dr Steve Thomas—deeply disappointed. For Hon Dr Steve Thomas to suggest —

Hon Peter Collier: Calm down! Just settle down! You’ve got to stop smiling when you’re angry!

The PRESIDENT: Order!

Hon STEPHEN DAWSON: I just want to laugh at every silly thing the Leader of the Opposition says.

The PRESIDENT: Just to be fair, other people have been heard quietly. The minister obviously has to raise his voice to hear himself above other voices. That does not help Hansard; remember that. So just listen to him quietly.

Hon STEPHEN DAWSON: I have to say that I did interject a few times on Hon Dr Steve Thomas when he made a contribution earlier, so, if he does it a few times, I do not mind. But the rest of them should be absolutely ashamed of themselves for their actions in the last eight and a half years.

The PRESIDENT: Minister, for a minute there I thought you were sharing a bit of Catholic guilt, but then you overstepped the mark.

Hon STEPHEN DAWSON: I do. It happens in this forum from time to time. I do think of my background, and I do have my mea culpa.

Going back to the amendment that Hon Dr Steve Thomas is trying to thrust upon us this afternoon, I am deeply disappointed that he is trying to hijack a sensible motion moved by Hon Pierre Yang. For him to suggest that the turnaround—the surplus—has occurred miraculously because of the GST is absolutely wrong. He cannot say in good conscience and in all seriousness that this is purely about the GST distribution and purely about iron ore prices. It is absolutely not. I have to say I thought more of Hon Dr Steve Thomas. I thought he did read the budget papers.

Several members interjected.

The PRESIDENT: I look forward to other contributions to this debate, but I do not want to hear them when the minister is on his feet.

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Hon STEPHEN DAWSON: I thought Hon Dr Steve Thomas paid more attention to the budget papers. He cannot say in good conscience that it is purely about the GST and purely about iron ore prices. The fact of the matter is that over the past two years, he and his colleagues have condemned the government for some of the difficult decisions that we have made to turn around the budget and fix the disastrous policies of the former government —

Hon Jim Chown interjected.

Hon STEPHEN DAWSON: — and the disastrous actions of Hon Jim Chown when he was parliamentary secretary to former ministers opposite. Yes, undoubtedly the GST has contributed to it. However, how did that happen? I remind members that when the now Treasurer went to Council of Australian Governments' meetings to seek some assistance or some movement across the country, the federal government said, "We're not going to help you. You didn't help yourselves in Western Australia. You were profligate. You put yourselves in the situation you now find yourselves in." That is because of the actions of the former government. We have been serious about it. We have made hard decisions. We have worked extremely hard with the federal government. We have lobbied. It is not just the case that we went to Canberra and said, "Give us more money. Give us more GST" We have worked exceptionally hard from the Premier down. The Premier called for a Productivity Commission inquiry into the GST distribution. In fact, he wrote some draft terms of reference for an inquiry. We worked exceptionally hard and the feds would not have fixed the GST without this state government's leadership. It is about not only the GST and iron ore, but also the difficult decisions that we have made over the past few years. It is disappointing that Hon Dr Steve Thomas is trying to whitewash the difficult decisions we have made to turn this economy around to create jobs in Western Australia, which the last government did not do for many years. For the opposition to try to amend this motion to whitewash this Labor government's good work is outrageous. I am appalled and we certainly will not support this amendment this afternoon.

HON AARON STONEHOUSE (South Metropolitan) [1.50 pm]: I have been quite enjoying the theatre this afternoon. I do not know how else to categorise this debate other than as a circle of people patting themselves on the back. Of course, government members want to congratulate themselves for the state's financial situation and opposition members want to congratulate their mates in federal Parliament. Credit where it is due: it is commendable that the government has limited expenditure growth to about one per cent. It has put a freeze on salary increases and taken a few other measures. But, obviously, we cannot ignore the impact increased GST contributions have made, although that comes with a caveat that those GST contributions are more forthcoming in the lead-up to an election than perhaps at other times when they are needed. I honestly think that the current McGowan government for all its many faults has governed with more fiscal responsibility than its predecessor, the Barnett government.

However, with these amendments congratulating either the state government or the federal coalition government, we are forgetting who has actually contributed to the state being in a surplus situation—that is, hardworking Western Australian taxpayers. Whether it is payroll tax or stamp duty paid in WA or GST to the federal government, which then redistributes it to the states, it all comes off the back of hardworking taxpayers. So rather than entertaining an amendment such as this one switching the congratulation from the state Labor to the federal coalition government, I would much prefer to see an amendment congratulating hardworking Western Australians who, off their own backs, have helped us to balance the state's finances.

Hon Dr Steve Thomas: There's nothing stopping you from moving one.

Hon AARON STONEHOUSE: I might entertain that but I actually agree with a comment made by Hon Alison Xamon behind the Chair a moment ago that it sets a bit of a nasty precedent when we start hijacking and twisting the intention of each other's motions. I would accept an amendment to modify or enhance a motion, but I think to change the intent of a motion entirely to state the exact opposite is unnecessary and a bit nasty. The motion simply could be voted down, which I suspect it probably will, or ignored, which plenty of members on this side of the chamber are willing to do. On that basis, I will not be entertaining the motion and I will not be supporting it.

Amendment put and negatived.

Motion Resumed

HON MARTIN PRITCHARD (North Metropolitan) [1.53 pm]: I was wondering whether I would make a contribution to the debate on this motion, but because of some of the comments made yesterday and the exercise we have just gone through I think it is actually important for me to make a contribution. Since 2017, members opposite have been trying to rewrite history, and if we forget history, we are bound to repeat it. I do not think this state can afford to repeat it.

I agree with the Minister for Environment and I listen quite intently to Hon Dr Steve Thomas when he talks about budgets and figures because he obviously enjoys it and, unusually, talks quite a lot of sense. It makes me wonder what would have happened if he had been in cabinet over the eight years of the Barnett government. When we were

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in opposition, seeing the shambolic nature of the state's finances was quite appalling. I want to go through that very briefly, because I am quite proud of the Treasurer and what he has managed to achieve over the last two years. I think what he has managed to achieve is extraordinary and we need to contrast that with what happened in the previous eight years. If Hon Dr Steve Thomas had been in cabinet in 2008, I wonder what he would have thought about the first loan bill of \$8.3 billion, which was discussed and subsequently put to the chamber. I wonder whether he would have thought it might have been a mistake four years later to again put in a loan bill for \$5 billion and then again, in 2015, another loan bill for \$8 billion and then a year later, in 2016, a bill for a further \$1.7 billion. That is a lot of money. It makes me think about the Western Australian economy. I do like Monty Python, so I will use an example from them. That loan bill scenario makes me think of the Black Knight in *Monty Python and the Holy Grail* saying, "Whoa! I've lost an arm. It's only a scratch. I've lost another arm. It's only a scratch." It makes me think about the continual punishment that the economy may have had.

Since about 2010, all the subsequent requests for loans were at a time when this state was going through a massive iron ore boom. It was a boom in not only the quantity being shipped overseas, but also the prices being paid. The royalties coming into the government at that time were extraordinary and will probably never be seen again. It was mentioned earlier that the Premier at the time, Colin Barnett, seemed to be encouraging predictions that that boom would go on forever. I think he was quoted as saying the boom may last 10, 20 or 30 years. Indeed, it was quite extraordinary and quite laughable that he would not actually use the word "boom". The then Premier studiously rejected any approach to say "boom" and it became a bit of a game between him and the papers. They would try to get him to use the word "boom", and he would not use it.

Several members interjected.

The PRESIDENT: Hon Martin Pritchard, you should just continue making your comments and references to me and not be distracted by any unruly interjections.

Hon MARTIN PRITCHARD: Thank you very much, Madam President. I am not sure whether honourable members who were not in the Parliament at the time have looked back at the loan bills that went through during those years. I was not there for all the bills, only the latter ones; I think it was the last two. In 2015, it was for \$8 billion and another was for \$1.7 billion just a year later. At that time, a lot of money was coming into the coffers from royalties, so it did not make sense. There is a theory that I believe. Hon Colin Barnett had his good points, but he was always known as a big spender and known to spend considerable amounts of money, even when he was in charge of different departments. There is a view that the Premier of the time, Colin Barnett, and the then Treasurer, Christian Porter, were trying to spend all the money from royalties—some on infrastructure and good things—to put pressure on the federal coalition government to do something about the GST because they were running out of money. If the federal government put a floor in the GST distribution, it would save the state government in the subsequent election. I believe that theory was true. Along with the state opposition, the federal government saw through that and was not likely to give the state government more money to spend under those conditions. At that time, I think about 17 members of the Liberal Party and National Party from Western Australia were in the federal government. At a later stage, Christian Porter, who I believe was part of the plot originally, jumped ship and became part of the federal government. In my view, he helped construct the plot, but when he got to the federal level, he decided that the state government could not have any more. Mathias Cormann was Minister for Finance, but although Western Australia had a lot of representation in the federal Liberal–National government, at the time it did not support the state government because it realised that it was not managing the finances properly. It did not want to throw money at a lost cause.

I said that there were some good things as well. At the time I was not overly sure about it all, but some of the infrastructure that the money was spent on was good. I was initially not overly supportive of the stadium. I thought it would have been better for small businesses to keep it in Subiaco and that it would have been cheaper, but I admit that I was wrong. It was a great investment. Some of the money was spent on things that were good for the future. I am not so sure about Elizabeth Quay. My original view of Elizabeth Quay was that it was not very well thought out, and I still hold that view today. However, some of the money was spent on good infrastructure.

Put into context, all that does not necessarily worry me. The previous government's inability to control the recurrent spend worried me. There was a massive blowout in the recurrent spend—funding to pay policemen and everyday stuff. In that period, it blew out by 6.4 per cent a year. That was massive and unsustainable. I will use an analogy, if I may. Around 2010, I was looking after people who worked in warehouses and retail. A lot of them left their long-time jobs earning \$36 000 or \$37 000 a year and managed to get jobs in the mining industry in the north west on \$100 000 a year. Those people also did not think about the future. Many of them did not put that money aside. They did not think of that situation having a life span—a life span that would not be long when the history of booms and busts in Western Australia was looked at. They went from jobs on \$36 000 a year to jobs in the north west on \$100 000 a year. If they were not very smart, they sold their \$400 000 house and bought an \$800 000 house. That was a little bit like what the state government did at that time. It let the recurrent spend blow

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out so that it was spending more money than it received each year. When the tap was turned off and they lost their jobs in the north west, they came back to a mortgage on an \$800 000 house, which they could not afford because they were back in their \$36 000 a year jobs. That is what I believe the Barnett government did wrong. It spent all the savings it had. It knew that there would be a dip in the GST and bet the farm on the hope that it could convince its federal counterpart to help it with the GST so that its share would not go down, as it obviously had to. It was disappointed when the federal government decided that it could not support a state government that was so fiscally irresponsible. We knew that in opposition and argued against it, but the house was a little different then and the Liberal Party and National Party held the balance of power in both houses of Parliament. Whatever they wanted to get through got through, so the loan bills got through without any major alterations. In not taking action to fix the GST distribution, the federal government showed it was aware of concerns about the state government. The ratings agencies, which are independent, were also aware and downgraded our credit rating during that time.

In 2017, the McGowan government appointed Ben Wyatt as Treasurer and he set about trying to fix the problems. A lot of those problems cannot be fixed because the money that has been spent cannot be got back. He also had problems that had been built into the economy—the recurrent spend. The government was spending more than it was receiving. The Treasurer set about trying to turn that around. In two years he has managed to return the budget to surplus, which is somewhere over \$500 million. That ain't bad! Hell, he has had some success in fixing the GST distribution. The McGowan government spoke to the federal opposition and the federal government and convinced them both to commit to a floor in the GST. Who should take credit for that? The federal government can take some credit. Should the McGowan government get some credit? Yes, of course it should. It convinced both parties to make commitments to fix the GST. Was that done in the eight years prior? No, because the federal government did not trust the Barnett government's fiscal responsibility. That is why it did not fix the GST. We now have a surplus and we have fixed the GST. The recurrent budget expense growth has decreased from an average of 6.4 per cent to an average of 1.3 per cent. Should Ben Wyatt get credit for that? Yes, of course he should. It is like turning a massive boat, because the spending is all built-in and there are only limited ways in which it can be brought back, but he has managed to do it. I am very proud of that. The ratings agencies also believe that we are doing a good job and they have lifted our credit rating. We have moved from a situation in the last government in which everybody except the government believed that it was doing a shocking job—including its constituents—to a situation in which people believe we are now doing a good job. The government should get credit for that and I have no problem standing to support this motion. I do not know why people think we have a problem with standing up and supporting this motion; it is a great motion.

Some members commented on whether this government has continued to spend money on infrastructure. I have a list of infrastructure that we are spending money on that I could go through, but I do not think anybody will say that money is not being spent on infrastructure; plenty of money is being spent on infrastructure. There seems to be a suggestion from the other side that we should have one fixed plan and use everything that we get to pay off debt. If the government decided to stop spending money on infrastructure and other things, what would happen? I will not compete with Hon Dr Steve Thomas in the understanding of economics, but I understand that the government spends a lot of money in this state, and if it decided to stop spending money, we would have a recession. It is silly. Going back to the analogy I used, it is like saying the guy who comes back from the north west goes back to a \$35 000-a-year job and tries to use the whole of that \$35 000 to maintain his mortgage. What will he eat? How will he pay for electricity? I look at things fairly basically, but it is just a nonsense to say that the government should stop spending money, or the government should have a fixed idea about what it is going to do and never change its mind.

The Treasurer has done a remarkable job. I am looking forward to much of the infrastructure that the government is spending money on. The constituents in Ellenbrook have been promised a railway for so many years and will now get one. This government should continue to spend money, but it should also look after the fiscal welfare of this state. That is what it is doing. It has dampened down the growth in recurrent spending and is forecasting surpluses. I am happy to go through the government's predicted surpluses against the previous government's predicted surpluses. The Treasurer has done an extremely good job. I am proud to be a part of the McGowan government and I support the work that the Treasurer has done. I cannot understand why opposition members waste their breath trying to ridicule that. I would expect them to say, "We might have got it wrong. It's now going a hell of a lot better. Why don't we attack them on other issues that have less credibility?" I think that the credibility of our finances is intact. We have continued to spend and invest in the infrastructure in this state and I commend the Treasurer for the work that he has done. I know it has not been easy. A lot of members have made requests that have been denied; he has really kept a cap on the spending. I congratulate him, the McGowan government and the mover of this motion. I am happy to support it.

HON DARREN WEST (Agricultural — Parliamentary Secretary) [2.13 pm]: I, too, would like to commend Hon Pierre Yang for bringing such an important motion to the house. It is important because if we ask the Western Australian voting public, the taxpayers of Western Australia, what the number one thing is that they expect

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from their government, they may think of a few other things, but the most important thing they expect from their government and that they always come back to is the management of their money and the state's finances. The voters know that if we do not manage the finances well, we cannot provide the services that they need. They know that. It is just like a household budget or running a business. For eight and a half years, the Barnett Liberal–National government lost sight of that most important role in government—to manage the finances of the people of Western Australia. I like this motion so much, and was offended by the attempts to change it, because it gives us an opportunity to show the people of Western Australia what can be done and also contrasts the Barnett Liberal–National government and the McGowan Labor government. It shows people how financial management can be achieved and what can be done to bring their finances back in order. By doing that we can now go about providing the important services and infrastructure that are required by the people of Western Australia.

Hon Peter Collier: Like mass teacher shortages, running out of electricity and no nurses, like you did last time?

Hon DARREN WEST: The Leader of the Opposition does not interject on this motion from a very sound base. He was up to his ears trashing Western Australia's finances. I do not think he interjects from a strong base.

I will talk about the things that actually matter to people, and that is financial management. We have had to strike a difficult balance when repairing the state's finances, which we are doing in spectacular fashion. Even the rating agencies are impressed with our Treasurer, and the way that we have all put our shoulder to the wheel and gone about the task of fiscal repair. It is not easy, because people are criticising us for not spending \$8.7 million on a boarding house for 20 kids in Moora, where the numbers are critically falling.

Hon Peter Collier: So you don't agree with it?

Hon DARREN WEST: I do not agree with that spend. I think that money could have been spent better elsewhere. I do not agree.

We were criticised for not spending enough, but we were also criticised for some of the revenue-raising measures that we wanted to put in place. I refer to the gold royalty increase. I remind members that the price of gold is now over \$2 000 an ounce. Those gold producers could have afforded \$20 an ounce to put back into important infrastructure and services for the people of Western Australia.

Hon Robin Scott: At the cost of jobs.

Hon DARREN WEST: That is a load of bollocks, member, and you know it! When we had that debate, the gold price was about \$1 600 an ounce. It is now \$2 000 an ounce. Is the member telling me that if we take \$20 off the producers, they will reduce the number of staff? That is total rubbish and the member knows it. He has been in business and knows that that is rubbish.

The Liberal and National Parties not only failed to learn from their mistakes and trashing the state's finances, but also are standing in the way of budget repair that the McGowan government is trying to achieve. The good news for the people of Western Australia is that we have been able to achieve financial and budget repair without the Liberal and National Parties. Every time they have stood up to stop us, we have found a way through and have been able to manage the finances better. All they have done in the last two years is sniped, criticised and blocked. Members opposite not only caused the problems in the Western Australian economy, but are also doing the petty little things that they can to try to stop somebody else repairing it. That is the big disgrace of their time. I get that people make bad financial decisions—it happens every day—and eventually this culture of bad financial management will be rooted; it is difficult to stop. In eight years the Liberal and National Parties were unable to stop the wasteful spending when in government but in opposition they are doing all that they can to stop the overwhelmingly elected government to fulfil our promise to the people of Western Australia that we would fix the finances. When we were in opposition before the election, we told the people we would fix the finances. We promised them that and we are doing that, and members opposite continue to stand in the way. It is disgraceful and they should all be ashamed of themselves. I am really pleased that they have found something interesting on their iPads, because they know I am right.

We have to make these difficult financial decisions every single week about what we need and must fund for the people of Western Australia, and about those things that people want but may have to wait for until things are better. We are not funding way overpriced recreation centres in small country towns that struggle to provide a football team and that have become a burden on the community. We are not doing that. We are putting money into things such as the hardship utility grant scheme and the services that people need. We are putting money back into financial counselling services. It is a tough economy out there at the moment. People need financial help. Instead of building a rec centre at Corrigin or a boarding house in Moora, we are putting money into financial counselling services to teach people how to better manage their money.

Hon Peter Collier: Did you tell the people of Moora?

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Hon DARREN WEST: I do tell the people of Moora. I am clear on this.

Several members interjected.

The ACTING PRESIDENT: Order, members!

Hon DARREN WEST: We are striking the balance of things that we really, really need—things that we have to have and things that people cannot manage without—and responsible management of the finances. I think we have got that balance fairly right. I think the Treasurer has done a fantastic job and he has been endorsed by the ratings agencies, which have lifted our credit ratings. That has lowered the cost of the enormous amount of interest that we have to pay because of the Barnett government's wasteful spending. The figure went from \$3.6 billion to \$38 billion. That will never ever be seen again. That is waste at its greatest. We have turned the state's finances around. Job prospects are much better, with 55 000 new jobs in Western Australia since we came into government. They are the two things that we promised to the Western Australian people and they are the two things that we are delivering to them. People who I know are not Labor voters and have never been Labor voters come to me all the time and are impressed by the way that we are managing the state's finances. They are businesspeople and people we would not expect to throw supportive comments our way.

We have been criticised for a few things. We have been criticised by some for not spending enough. But I am very proud of the things that we are doing. The thing we are doing that I am proudest of is that after 10 years of talking and hollow promises we are finally delivering a way overdue and much-needed upgrade to Geraldton Health Campus. There is \$73 million for acute psychiatric services, 38 new beds and a larger emergency department. We are also delivering a mental health step-up, step-down unit. The Geraldton community has been crying out for all those upgrades for 10 years. Not only did the coalition trash the finances, it failed to deliver this much-needed service in a seat like Geraldton, which it held for all that time it was in government. We have also been getting on with other important projects, such as upgrades of other hospitals across the wheatbelt. I accept that some of those were the brainchild of the previous government.

Hon Martin Aldridge: All of them were.

Hon DARREN WEST: Some of them were, but they were not all funded. We have funded all those major health —

Hon Martin Aldridge: Please name the projects that were yours.

Hon DARREN WEST: Hon Martin Aldridge can get up and do that in a minute.

Hon Martin Aldridge: We did yesterday with your budget.

Hon DARREN WEST: I am making my budget speech now.

We are delivering health and education service upgrades right across the state. We have been able to save jobs at the Esperance port. We are building a new TAFE and sports centre down in Esperance. All these projects that were overlooked and neglected by the most wasteful spending government in history are now being delivered by the Labor government, and I am very proud of being able to achieve that. We are putting a lot of money into roads. We all know about the wheatbelt road statistics. We are winning on a statistic we do not want to be the best at, but we are the highest in Australia. For a lot of those country roads we have partnered with the federal government and increased spending on them in a way never seen. They do two things: they serve us into the future and it is good for our economy to have good road systems. They improve road safety, but they also provide local jobs in regional areas.

When we came to government, we were staring down a \$2.5 billion deficit. I have said this in the house previously, but I will outline the difference between a million and a billion. I think a million seconds add up to about 10 days, but a billion seconds add up to about 28 years. The difference between a million and a billion does not sound much, but it is a lot. We had a \$2.5 billion deficit. In two years, we have turned that around to a \$500 million surplus. That is a remarkable turnaround, and the Treasurer deserves all the accolades he gets. We have also been criticised for the increased cost of living, and I heard it again during this debate when someone was yelling that out. The lowest rise in fees and charges in 13 years was delivered in this last budget—the lowest rise in 13 years, at 1.75 per cent. I have a chart here that compares that with the increases put in place by the coalition, and they were much, much higher. We have actually brought down cost-of-living increases since we came into government. We have not lifted them; we have brought them down, because we are conscious that people are doing it tough. Working families especially are doing it tough. Now we are seeing a generation of working poor—people who are going to work and getting their hours cut and getting casualised and not bringing enough money home to pay the bills. We are generating this new class and it is not good.

The budget has finally returned to surplus. We are back in black. We are not just talking about it; we have done it in this budget. I think the Treasurer might have even been a bit conservative; I think we are doing a little bit better than some of these budget forecasts show, but we will see. The lines on the graph are now above the centre line

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because we are running an operating surplus. Just like with a mortgage, a business or a household budget, to get ahead we have to spend less than we earn, and that is exactly what we are doing. Despite the efforts of the opposition to prevent us doing that, we are spending less than we earn.

I have the chart I was looking for that shows household fees. In its first three budgets, the Labor government's increase in electricity prices has been 21 per cent. In the first three budgets of the Liberal–National government, electricity prices rose by 57 per cent, so it is a bit rough for people on the other side of the house to be having a go at us for the rise in fees and charges that we are charging people. We are keeping them as low as we possibly can—because we know it is tough out there—at about a third of the increase that the now opposition put in when it was on the government benches, and people know that.

We are doing lots of good things; I want to talk about the good things we are doing. We are putting \$22 million into the creation and ongoing management of national parks, marine parks and conservation reserves. The Minister for Environment is doing a great job on this and was in Geraldton recently to announce the state's 101st national park, the Houtman Abrolhos Islands National Park. The Abrolhos Islands are now officially a national park. That has been very well received in Geraldton. It gives us some great opportunities there to promote the Abrolhos Islands right around the world and unlock the tourism potential for Geraldton and the midwest. We have also allocated \$182.4 million for a new employer incentive scheme and training delivery, including over \$45 million for regional WA. This scheme will help WA employers with the cost of employing apprentices and trainees. Businesses are not hiring and training apprentices like they used to. I see that wherever I go. People raise that with me quite a lot. It is hard to get an apprenticeship. We are putting in some real money and a real incentive to try to turn that around. There is \$131.5 million of additional expenditure to support agriculture in WA. We know that the previous government gutted the ag department and pulled all the money out of research. We are putting that back in, with an extra \$45 million for grains research and development in the 2018–19 budget. There is \$48.4 million to upgrade port facilities across the state. Ports are very important to our regional communities because of the jobs and the trade that goes with them. There is \$7 million to build and operate a state-of-the-art marine finfish nursery facility in Geraldton at the Batavia Coast Marine Institute. That is huge for Geraldton. The aquaculture potential for the Abrolhos Islands is enormous. Up to 3 000 jobs could come out of that aquaculture precinct if things go to plan. There is a bit of work to do there yet, but to back that up we have put in a \$7 million finfish nursery facility in Geraldton. That means local jobs. It is a local project that will generate local jobs, and that is what we are all about. There is \$452.8 million to improve school infrastructure in Western Australia. I was delighted, as I am sure members opposite were, when the Minister for Education and Training announced a couple of weeks ago that we would be removing the excess in fees for people from non-government schools to access public residential colleges. That is enormous for Geraldton, because the extra fees that were being charged by the previous government to use the public residential facility in Geraldton resulted in many parents in the midwest sending their kids to private schools in Perth. We can now bring them back to our outstanding public and private high schools in Geraldton and they can board in those facilities for the same cost, no matter which school they attend. That is an outstanding announcement. I note that because it was a really good news story from our Minister for Education and Training not much was made about that, but I thank the minister for that decision. It was an outstanding decision and it is going to help keep our young students, who do not live close to a large regional centre, in our country high schools and prevent them from coming to Perth.

We are putting \$3 million towards science labs in 51 primary schools. It is important to teach our young students about science and get them interested in those primary school years. If we can do that, those students will perhaps go on to study science and become scientists. We all know that there is a worldwide shortage of scientists and students studying science at university, and teaching our young students about science will help generate more scientists in the future. It is a reasonably small investment to generate a reasonably big outcome. That is what this government is all about.

Hon Peter Collier: Did you build the two new high schools?

Hon DARREN WEST: Yes.

Hon Peter Collier: You did?

Hon DARREN WEST: No. Now, former Minister for Education and Training, I am going to give you some credit where it is due. It was built under us; we paid for it. Two schools in Geraldton received major upgrades and we funded those.

Hon Peter Collier: Don't you dare take credit for that, mate!

Hon DARREN WEST: I think I just gave you some credit for it, former minister.

Hon Peter Collier: No, you didn't. You said, "It was built under us."

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Hon DARREN WEST: Yes, I did—if you would listen instead of talk. They were built while we were in government. I was very proud to be there when they were opened, and have the minister there.

We are spending \$2 billion on regional roads, and 25 major road projects are set to get underway soon. There are good employment opportunities right across the regions. We made it a provision in the Western Australian Jobs Act 2017 that government contracts, when possible, are given to the regions. Sometimes, small communities do not have the capacity to deliver large projects. But in communities like Geraldton, it is certainly possible for our local businesses to deliver those large projects. A good example of that is Geraldton Health Campus, which is a \$73 million hospital. We have broken up that project into very small parts so that local businesses can get a bigger slice of the pie. It will take a little bit longer to build, but it is going to be worth it. The previous government gave 16 per cent of royalties for regions contracts to the regions. That means that 84 per cent of that billion-dollar-a-year spend was spent outside of regional Western Australia and went to either the metropolitan area or, even worse, eastern states contractors.

Hon Martin Aldridge interjected.

Hon DARREN WEST: That has changed. The member will hear more about that soon. But I can tell the member that it is higher than his government's feeble effort of 16 per cent, and there is more to come on that.

This year we are putting \$9.1 billion —

Several members interjected.

The ACTING PRESIDENT: Order, members!

Hon DARREN WEST: I could talk about an awful lot more, but I have only 30 seconds remaining for me to speak. During my contribution members have heard the good work of the McGowan Labor government in this area highlighted, and nothing but sniping, deluded comments from the members opposite, who had their eight years in government and could not make a good financial decision if they tried. We have turned around the state finances. I thank Hon Pierre Yang for such an intelligent motion.

HON DIANE EVERS (South West) [2.33 pm]: This is entertaining! It gives me an opportunity to say some of the things that I have said before, and I will say them again. With the motion as it reads, I can acknowledge that there is a surplus coming. That is good. I have a little bit of difficulty with the words “back on track” because the track that this government may be on may not be the same track that I expect it to be on. The other words in the motion talk about “responsible financial management”. Financially, the accounting brain says, “That is good. It is not haemorrhaging money anymore.” But financial management is only part of the whole thing; we also have to look at our social and environmental management. However, we cannot just say that the government is getting the numbers right—even though the credit agencies may like that because it looks like the government will be able to pay the debts as they fall due—because there is more to it. There is more to life. There is more to this state. There is more to what we do here than just managing the money. We have to make sure that we are looking after the people and the environment.

One other thing that I could probably have said yesterday, but I want to say now, is that along with the financial management, the accountant in me is saying that the supplementary appropriations bills—the Appropriation (Recurrent 2010–11 to 2015–16) Supplementary Bill 2017 and the Appropriation (Capital 2010–11 to 2015–16) Supplementary Bill 2017—are still outstanding. We could have used this two-hour block to get through one of those bills, which we are supposed to get through the year following the budget year to which they relate. If somebody could make a note that those supplementary appropriations bills that cover from 2010–11 to 2015–16 are still outstanding, maybe we could get that back on the agenda and use our time more expeditiously.

As I said, the financial markets are happy with this. I will acknowledge that the members to my left have gone on about a number of the good things that have been done by this government. I am really pleased to see good things being done that make things better for the people of this state and for our environment, and keep our businesses going as well. It is very important for the economy to remain unhindered by poor management. I would also like to comment that it seems odd to me that it is so different here. Many people in Australia think that Liberals are really good at managing money. Living in WA, I do not understand why people continue to think that, because there was very poor management over the last eight years under the previous government's two terms. I believe that that is a very good example of why we need to look at the individuals in here maybe more so than the parties, because there is that difference and the balance has changed. The Liberals had an opportunity for surpluses. They had money flowing in from the iron ore royalties, payroll tax and stamp duty. Money was flowing in and it would have been very easy to say, “Oh, they made a surplus because of the wonderful world conditions making the iron ore price high and the dollar low and lots of people buying and selling property.” But that was not said; we did not talk about it at all, because we were haemorrhaging money.

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Now the Labor government has put in these budgets to stop that, but, in a way, it has been way too austere in many aspects. Austerity measures were put in place whereby many public servants were offered voluntary redundancies, and so we lost that knowledge, capability and the on-the-ground staff who actually got the work done. We have been left with cases such as the Department of Primary Industries and Regional Development, which is struggling, having been decimated in the past and then amalgamated with other departments and which has now been hit with many voluntary redundancies. We need a strong agriculture department. We need an organisation that has the right people in it doing the right sorts of things so that our farming industries and communities stay strong, so that we stay adaptive to new things that are coming in and so that we can keep learning about what else we could be doing, rather than going for this economic basis that says, “Productivity! Productivity! That’s what we want!” It is not just about productivity. What farmers need is for their costs to be below their revenue, and that does not always happen with productivity. Farmers may sell a large amount of grain at a high price, but if their costs are above that, they are still going backwards. Therefore, we need the ag department to find new ways and look at what other people around the world and here are doing in growing and nurturing those ideas.

With regard to social management, this is the beginning of Homelessness Week. We still have an issue with homelessness. It is not an insurmountable issue, a wicked problem or one that we do not know the answers to; it is an issue that needs some money given to it. We need to build houses for those homeless people. We need to build homes. We need to help homeless people integrate into the community, so that their mental health issues are not so bad and are not the thing that is driving them to continually stay in the predicament that they are in. We can do that through this budget. We may not always end up with a surplus budget, but we need to be able to help those people. We need to help them so that their mental health issues can be addressed, and for that we need to put funding back into mental health—back into regional mental health and youth mental health. We need to put it back into education as well, to be able to train the next generation of kids and give them the information they need to lead healthy lives, not just physically, but mentally as well. I think some steps are being made in that direction, but not enough. It is not wonderful for the government to sit on its laurels and say, “Isn’t it great? We’ve got a surplus!” when people in this state are hurting badly. I would like to see some of the funding redirected to those health outcomes, so that it gets to people before they end up in the medical system and helps people avoid those issues.

One way that can happen is if they are engaged in outdoor activities, such as gardening or being in the forest. The Japanese have a term “forest bathing”. We need to get people out there. We need to have green spaces near families and children in communities so they can engage outdoors. We have to protect and create more green spaces around communities in the metropolitan area. We have to stop development and other things knocking down those areas and moving them out, leaving fewer than one tree for a family, for a community, for children and for schools. We must have green space and we must increase that. We have to stop the unnecessary development that is removing that and stop the unnecessary clearing in regional areas of the few trees that are protecting our oxygen and waiting for rainfall. It is individual trees, groups of trees and road verges—those sorts of trees, and the ones in the forest as well. That is what we need. It is a longer term project that we have to look at. We are in a climate emergency, whether we say it or not, and something has to happen. The crash is coming, and here we are talking about money. I love talking about money, but it is what we can do with the money—how we can invest it and spend it—to make sure that we have a healthy community, an educated community and a happy community. We can share that amongst us, rather than having so many people worried about their own lives that they are dragging each other down. There are people out there who do not have a home and people who do not have a job. We mentioned hardworking Western Australians. It is not even the hardworking ones; it is those who are trying to survive. We need to help them too. We need to help all of them, because they were not born with the privileges and entitlements that many of us had. Everyone in here had a good education. Everyone in here has a home. That puts us light years ahead of some of the people on the streets. However, here we sit and argue about money and who said what. Come on! We are better than that.

We can do more. I have hope. Thank you.

HON LAURIE GRAHAM (Agricultural) [2.43 pm]: I support the motion moved by my colleague Hon Pierre Yang. I think it is a very good motion. I know that people on the other side got excited, particularly about aspects of it, and we were congratulating ourselves. I think we are entitled to an element of that. I was fortunate to be elected to Parliament and to come into government. That does not always happen. It was at a time when things looked fairly grim and every project that we tried to put forward was under severe scrutiny—even the redevelopment of Geraldton hospital. I will talk about that later.

Before I talk about specifics, I would like to spend a couple of minutes on the impact of the eight years of the previous government. Despite its 90 per cent increase in household fees and charges over that period, there is not a great deal to show for it. Not only were the fees going up, but also the deficit was increasing. We will always argue about the number. I know that in this house it causes a great debate when we talk about \$44 billion, so I will not talk

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about that number today. The decisions of the government have put us on track and I believe that will take at least \$4 billion off the peak that would have arisen. To see a \$2.5 billion deficit turned around to a half-a-billion-dollar surplus is a great result for the state. We can argue all we like about what the numbers should be. Everyone in the chamber has their pet projects and would like to see them all funded, but if every project were funded, clearly there would not be enough to go around. As I said, net debt stood at around \$4 billion in 2008. I know that is a long time ago, but that is when the Liberal government came to power. It was projected to be on a path to that \$40 billion-plus number. This government has made great inroads into that and at the same time has been responsible for committing funding to various projects going forward. It has not just lashed out and funded every project that we, as backbenchers, would like to see funded in our regions, particularly in regional Western Australia. It is not always possible. However, there has been enormous expenditure on infrastructure such as roads in WA. I have not seen regional roads looking in better condition than they are at the moment, although I will admit that with the arguments about speed limits, regional roads could do with some modification to make them far safer, especially roads that have a 100-kilometres-an-hour speed limit. I refer not to the main commuter roads but to the side roads where there are no run-off areas. Clearly, that has resulted in injury to and the death of a large number of Western Australians. I hope that in coming years we will address that issue.

We need to embrace more renewables and the government has done that in the budget. It has increased slightly the target for renewables. That is great to see. It was interesting to hear on radio yesterday some statistics that reported that Tasmania has 100 per cent renewables. I know it has the benefit of the hydro dams. South Australia is moving from 50 per cent currently to 70 per cent. Western Australia has obviously shifted slightly. With the uptake each year, it is something like a quarter of the power that was recently announced to be turned off at Collie. Those power stations obviously have a set period, but a rooftop silo on a four-year cycle should equate to one of those units that has been switched off.

Hon Dr Steve Thomas said that it would be interesting to see from where government would get its money for future power stations. I will take the opportunity while I am on my feet to comment on that. I have been involved with proponents looking at projects in the midwest. A couple of them might be pie in the sky, but let us wait to see whether they come off. Each of them wants to put on baseload power for the grid, which is interesting. They want to become the northern enforcer of the grid but also provide as much power as they can back to the grid but be off-grid for their own purposes. They are very big power consumers.

Hon Dr Steve Thomas: Solar or wind?

Hon LAURIE GRAHAM: Interestingly, it is gas, solar and wind. It is a mixture of everything, but the truth be known, it is mainly gas, getting up towards the maximum number, and then using solar and wind to keep them under a number at which they will have problems with EPA approvals. On the inland side of the project in the Meekatharra area, which is about 10 per cent of the power, they believe they can run it on solar and wind. There is obviously a case for doing something very different. The community in Esperance has been keen to do something different in that area. It is a shame to see electricity lost to that grid every day. Obviously, that is money that is lost to the state as well.

I will move on to the hardship utility grant scheme. There has been much discussion in this chamber in which members have been very interested to know how much is being spent on HUGS, where it is going and who is missing out. Previously, it appeared that a lot of the HUGS money was being paid out to people who really should not have been receiving it, and it is great to see that in this budget the state has allocated \$7.4 million for that purpose and for a financial counselling service across the metropolitan area. HUGS is much fairer and supports those in genuine hardship. In other words, those who previously lined up have been largely scaled out of the system. The government has increased the funding for the hardship utility grant scheme by providing an additional \$1.9 million.

Moving back to the hospital area, which I was quite keen to talk about, I would like to talk a bit about history because, in the run-up to the 2017 election, I was very involved in the campaign and was interested to follow it through. In 2013, Ian Blayney made a statement that the Geraldton hospital was a top priority, and yet it never appeared in the budget, which was interesting. I know that there are claims that it was in a global amount within the budget, but it was not there. In November 2015, the Nationals pledged to upgrade the hospital, and in November 2016, Brendon Grylls committed \$116 million from royalties for regions for a hospital redevelopment, which he believed was overdue. At the same time, Premier Barnett announced \$139 million for the upgrade, with completion by 2022, including \$49 million for mental health services, including 12 extra beds.

People in Geraldton were obviously very keen to see that development happen, and Labor made a modest pledge in the election campaign of \$45 million for a staged redevelopment, believing that planning was in place that would allow work to begin quickly. However, it turned out that nothing was in place, and as recently as a fortnight ago I was privileged to see the first of the sketch plans of how it could be laid out and the rollout of the contracts, as

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Hon Darren West mentioned, in smaller packages, to firstly remove the car park and other services so that the current car park could become a construction site. Stage 1 of our plan was for 12 acute beds, and only planning money was provided for in the 2018–19 budget. We received much criticism for that, but the cost of our modest commitment had increased to \$73.3 million. There was a delay while the planning was done, the numbers were checked and it was made sure that it would all fit on the site before it was committed in the budget. It is good to see that that project is rolling ahead now, and we will hopefully see work commencing in the not-too-distant future on the car park area, which will be ripped up and redeveloped elsewhere.

I acknowledge the previous government for the big royalties for regions commitment for the hospital, which has been fantastic, but I believe that prior to 2008 the previous Labor government also did work on all the major regional hospitals, which were all brought up to scratch. Hospitals require major work. The Northam dialysis facility is to open this year. That is another great commitment for people in that area. It will save them having to come to Perth. We have seen similar upgrades to services that are now delivered in Geraldton and elsewhere so that people do not have to leave their families and travel long distances to get services that really should be available closer to home.

Hon Darren West made some comments about the Department of Primary Industries and Regional Development, and I will make a few further comments about the work within the department. The Merredin staff will continue to deliver services from temporary office accommodation until the rebuild. The coming together of those departments is providing great opportunities and facilities for the workers. I know there is great debate about whether we can save through shared services, such as administration and corporate services. Time will tell whether that is a reality, and we will obviously be brought to account if we have got that wrong.

I want to talk for a few minutes about the goldfields region, where a number of projects are being delivered, including \$6.3 million for the health campus, and \$40 million for the upgrade of the Coolgardie–Esperance Highway, which is badly needed in the sections to be upgraded. I am sure that many other regional roads in Western Australia are in a similar condition, and we hope to see allocations to those roads in future budgets. A commitment of \$6.9 million has been made to upgrade shed 4 at the Esperance port. It does not seem like very much, but it has provided the opportunity for that port to become a multi-receiver. At the moment it appears that the graphite project and other smaller users will be able to use that combined facility to load cargo directly without having to transport it through the town and plan delivery into the port when the ship loader is in use. That is a great facility for Esperance. Running throughout all this is the methamphetamine action plan. I know that meth is a problem everywhere in the state.

I will move back to the budget surplus. It is a great result, and we should all be supporting this motion from Hon Pierre Yang. It is about good governance for the period. I am a bit disappointed by the attempt to hijack it.

Hon Dr Steve Thomas: It was an attempt to improve it.

Hon LAURIE GRAHAM: That is the member's opinion. I would call it hijacking, because at the end of the day it makes it difficult for the person who has to respond to speak on such a motion. I would like to fully support the motion. It is a great one as far as this side of the house is concerned. I appreciate that there was great excitement on the other side for a few minutes. Let us wait and see how it goes, but this is a great motion. It is a great result so far, and I expect it to get better in the future when windfall revenue such as the iron ore royalties is brought to account fully. I do not believe that in the past it has made the impact that others would believe it has. With those few words, I close.

HON PIERRE YANG (South Metropolitan) [2.58 pm] — in reply: I thank everyone for their contributions to this debate. I thank Hon Dr Steve Thomas for his attempt to amend my motion, and I thank everyone for their contributions during that amendment debate. Although I do not agree with that amendment, on reflection I think I was a bit harsh in my words directed to Hon Dr Steve Thomas, and I apologise for that. It is a matter of fact that Hon Dr Steve Thomas was not part of the government that left the state in a financial mess. I find him a very gentle person. I have always been able to have sensible discussions with him and debate about economics and party and social issues.

Although I do not always agree with Hon Dr Steve Thomas, I find that we can always have a sensible discussion. I hasten to add that the situation might be different had he been the Treasurer during those eight and a half years, because this state might not be in the financial hardship that it is in now. Clearly, Hon Dr Steve Thomas has views, convictions and commitment. I apologise to Hon Dr Steve Thomas for my harsh words and hope I have his forgiveness.

I thank Minister Hon Stephen Dawson, Hon Diane Evers, Hon Dr Sally Talbot, Hon Aaron Stonehouse and Hon Darren West for their contributions to the debate on the amendment. I appreciate Hon Martin Pritchard's contribution to this motion. I thank him for reminding us that both the state and federal governments have played their part in ensuring that the people of Western Australia get the GST distribution that they deserve. It is also timely to remind the house that because the federal Liberal–National government could not trust the state Barnett Liberal–National government to manage the finances of the state, it did not fix the GST distribution during that government's term.

Extract from *Hansard*
[COUNCIL — Wednesday, 7 August 2019]
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It was good to hear from Hon Darren West that the McGowan Labor government is doing great things in regional areas. It is great to hear that this government is doing all it can to support the good people of regional Western Australia. I am sure that with the improved financial situation of this state, more will be done for the good people of regional Western Australia.

I thank Hon Diane Evers for correcting the misconception that Liberal governments are always good financial managers. Clearly, that is not the case. I thank Hon Diane Evers for acknowledging the good things the McGowan Labor government is doing. I personally would like to acknowledge Hon Diane Evers' contribution to the issue of homelessness and thank her for her participation in a sleep-out in Bunbury during the winter recess.

I thank Hon Laurie Graham for his contribution and for outlining the good work the government is doing in his electorate. I thank him also for mentioning the government's action on the hardship utility grant scheme. The government understands that people are in difficult circumstances, and it is doing as much as it can to support people who need help.

The motion before us is a good motion. It is entirely legitimate to spend some time to set the record straight and to draw the attention of the house to the budget repair work of this government and the surplus that we have achieved. It is entirely worthwhile to acknowledge the remarkable turnaround in the finances of this state because of the McGowan Labor government's outstanding financial management. This state is back on track. We now have a budget surplus. The government is doing the necessary work to ensure that the people of Western Australia can progress into the future.

Division

Question put and a division taken, the Acting President (Hon Adele Farina), casting her vote with the ayes, with the following result —

Ayes (10)

Hon Alanna Clohesy
Hon Stephen Dawson
Hon Sue Ellery

Hon Adele Farina
Hon Martin Pritchard
Hon Samantha Rowe

Hon Matthew Swinbourn
Hon Dr Sally Talbot
Hon Darren West

Hon Pierre Yang (*Teller*)

Noes (14)

Hon Martin Aldridge
Hon Jacqui Boydell
Hon Jim Chown
Hon Peter Collier

Hon Colin de Grussa
Hon Nick Goiran
Hon Rick Mazza
Hon Michael Mischin

Hon Simon O'Brien
Hon Robin Scott
Hon Charles Smith
Hon Dr Steve Thomas

Hon Colin Tincknell
Hon Ken Baston (*Teller*)

Pairs

Hon Alannah MacTiernan
Hon Kyle McGinn
Hon Laurie Graham

Hon Colin Holt
Hon Donna Faragher
Hon Tjorn Sibma

Question thus negatived.