

STATE ECONOMY

Statement

HON COLIN TINCKNELL (South West) [9.45 pm]: I wish to talk about the state of the economy. This economy is not looking good for Australia and Western Australians. This is now painfully obvious to the government, and by its own admission it is very concerned about it. Having anticipated this blowout—it astounds me that it was not blindingly obvious to the government—on 12 October I asked the minister representing the Treasurer about the impact the government's increases in fees and charges were having on the number of people applying for the hardship utility grant scheme. The government's response was to point out that the previous government was responsible for electricity price increases of 90 per cent over 10 years, and that this government's increase of only 11 per cent in one year was minor in comparison and was a necessary budget repair measure due to the fiscal mismanagement of the previous government. I used to play footy, so I know a good handball when I see one. That was not one. The people of Western Australia should not be satisfied with this passing-the-buck answer, because I am not. The Labor Party wanted this job and asked the people of Western Australia to give it to it, and they did. Now the Labor Party has it, it is still complaining about the bad pass it received, instead of trying to kick goals.

The people of Western Australia gave the Labor Party this job to fix the financial problems, not make them worse. Right up until the last election the Premier continuously had a go at the previous government about the increases to household expenses it imposed on already struggling families. One would think that if the Premier were so concerned about the state of the finances of those most in need and those doing it the toughest, when he got into government, he would be determined to reverse the financial pressure created by the previous government, not intensify it. Instead, the Premier and Treasurer have just turned the screws a bit more.

The McGowan government has raised the cost of living for every Western Australian household by around \$440 per annum. This is spread right across a variety of areas, with little or no regard to the impact it will have on low-income households and families. The government will say it has increased the funds available to the hardship utility grant scheme by over 100 per cent this year, from \$8.8 million in 2016–17 to \$20 million in 2017–18, but this additional funding will not last even half the year. The scheme has already burnt through half the allocated funds in the first three months of the year. Over 20 000 people have applied for HUGS in just three months. Compare that with the 27 000-odd people who applied in the 2016 financial year. That explosion of applications has not been the deafening wake-up call to the government that it should have been, telling it that its plan to raise revenue by squeezing the last cent out of Western Australian households was a bad idea.

The government needs to understand the damage it is doing to the economy of the nation's most prosperous state, and also the social damage and financial stress it has caused to Western Australian society as a whole. Financial stress leads to social and domestic issues like divorce, domestic violence, drug and alcohol abuse, and other extreme measures such as crime and even prostitution to make ends meet. Many have been forced into this position through no fault of their own; their financial woes are not the result of their poor financial management, but of this government's. Yes, the last government created a bad situation, but this government did not need to make it worse. Many of these people believe that they are out of options and are turning to predatory lenders. It is a pariah industry that makes its money off people's financial hardship and suffering. The government should be doing everything it can to help people avoid these types of unscrupulous financiers by looking into the McKell Institute's proposal, which I previously brought to the government's attention during question time. I was thanked for my suggestion, but was not taken seriously; maybe it is time that I am taken seriously.

The government has been keen to use the previous government's failures in an attempt to hide its own fiscal shortcomings. It wants to be seen as having been forced to impose these measures to pay back the debt left by the last government. That is not the situation. Yes, the previous government left a \$30 billion debt, but it is not the government that is putting up the cost of living by \$440 a year. The previous government is not the government that increased spending by four per cent, even though it has cut 3 000 public servants' jobs, and it is not the government that will increase state debt by \$3 billion this financial year alone. As of May this year, this government became solely responsible. It has increased state revenue, but it has also increased expenditure and the cost of living, which will increase state debt. This is not the story that Western Australians were promised.

As I have previously pointed out, this government has already broken election promises but, in One Nation's opinion, it has broken the wrong ones. The sale of Western Power was meant to prevent price increases for consumers, yet six months later, an additional \$169 has been indiscriminately imposed on all customers. That is a broken promise in my book. The government promised no new taxes, but as soon as it was in government it attempted to increase gold royalties; and, today, it is trying to succeed in increasing payroll taxes, which is another broken promise. The government whinges about the crossbench not supporting its gold royalty increase as the

reason that it cannot fix the budget, but the reality is that it cannot fix the budget because it is spending way too much. If this government had \$5 billion more to spend, it would spend \$8 billion—apparently that is its mentality. We will not accept this government claiming financial hardship when it has had more money to spend than last year but will still come out with a deficit and increased overall debt. I suggest that the government go back to the budget to reassess its needs versus its wants and prioritise accordingly.

We do not accept that this government will spend more money than it has while asking Western Australian families to foot the bill. Its failure to introduce a gold royalty increase has left it with a budget hole, but it is a hole of its creation because of increased expenditure. Government revenue increased this last year but so too did government expenditure. The government cannot work out that it needs to spend less to reduce debt. The best we are told from this government is to expect that if all goes to plan, we may be back in the black in four years. That is not good enough. The people of WA expect the government to put measures in place to get back budget control now, not in four years. An increased cost of living across the board at a time of a sluggish economy and rising unemployment is not the way to do it. The people of Western Australia do not want the government to help them keep their heads above water when they are about to drown. They want the government to create the right circumstances so that they can prosper. Increased funds for the hardship utility grant scheme and financial counselling services for those in desperate need are available once a year and in desperate times only. In the words of the Western Australian Council of Social Service chief executive, Louise Giolitto —

... we've got an ambulance waiting at the bottom of the cliff when it should be waiting at the top.

Those who are already struggling will find themselves destitute and having to make hard choices in life. I recommend that government members take the time to tune into SBS's confronting series *Struggle Street*. I hope the government can finally acknowledge that the demand for income support has far exceeded expectations and that its plan will not make things better for the Western Australian economy, only worse. The government needs to relieve, not increase, financial pressure on low income households, because they are the economy's consumers and customers. If they have more disposable income to spend, they will spend it, and that stimulates the economy. But if they have less to spend, the economy stalls. It is quite easy to see.

The government is providing more funding for financial assistance and counselling for those under pressure. No doubt, this is so that those people can benefit from professional and expert advice from people whom the government acknowledges are experts and whose advice should be followed.

The PRESIDENT: Order! Before I give the call to the next member, I have something to say. We had an issue a few weeks ago when we talked about standing order 36 and the reading of speeches. I listened to you and watched you through that 10 minutes, and it was very evident to me that you were reading your entire speech. I did not want to break your speech or cause you any disruption, but I might encourage you to think about how you deliver your speeches. Unless you have permission or are reading in a bill, it is not appropriate to read a speech.

Hon Colin Tincknell interjected.

The PRESIDENT: There is no comeback. I am just alerting you to that standing order again. I encourage you to read it.