

NET DEBT — 2023–24 STATE BUDGET

299. Ms L. METTAM to the Treasurer:

I refer to the 2023–24 state budget, the debt reduction account and the 2017 commitment to repay debt slowly and carefully. Since 2017, the budget has had \$19 billion in surpluses, with another \$11 billion forecast. However, state debt is expected to climb to \$35.9 billion in 2027.

- (1) Has the government given up on its debt reduction account?
- (2) The \$35.9 billion is higher than the 2016–17 actual of \$31.9 billion that the government inherited from the former Barnett government. What is the government's excuse this time?
- (3) When will the government make meaningful action to ensure, as it committed, that future generations are not burdened with epic amounts of debt?

Several members interjected.

The SPEAKER: Just before I give the Premier the call, we had over half a dozen people all contributing their opinion on the question. That is not only not necessary, but also out of order. I would ask you to desist from interrupting so that we can hear the questions as clearly as possible.

Mr M. McGOWAN replied:

- (1)–(3) It would be fair to say that I am pleased that the Liberal Party has finally asked me a question. It would be fair to say also that financial management and debt reduction is not the Liberal Party's strong suit. When members opposite arrived in office in 2008—I realise I am now one of the few who was around at that point in time—the state's debt was \$3.6 billion. The previous government had record revenues because we had a mining boom much stronger than the recent one. By the time members opposite left office in March 2017, the forward estimates had debt at \$44 billion. It went from \$3.6 billion to \$44 billion. I happen to have found this chart here that sets out the way it was progressing. We can see how debt was progressing from 2008 to the time that members opposite left office, when it was in the mid-30s and progressing across the forward estimates to the mid-40s. That was the position.

Premier Barnett said that there was no way debt would ever go above \$20 billion. He also said that there was no way his government would ever deliver a deficit. That was his commitment to the state. He also said that the forward estimates were rubbish. He was probably right, because it would have gone higher than that because members opposite had no control over their budget. They put no effort into it. There was none. Members can go ask Treasury what it was like. It was a free-for-all. The previous government had two budget processes—the Liberal budget process and the National budget process—and no-one ever said no to anything. That is what occurred. It did not ask the commonwealth for any money. It never got any money out of the commonwealth for anything. Tasmania is getting money out of the commonwealth for a stadium. Members opposite did not get any money out of the commonwealth for a stadium. That is going well for Tasmania, I note! That is the situation. We arrived in office, we reduced expenditure growth, with a whole range of difficult things to deal with that, and we also got money out of the commonwealth for many of our projects.

What has occurred? Debt has gone down. In this year's budget, by 30 June, debt will be at \$27.9 billion. We are the only government in Australia achieving that. Across the forward estimates, we put in conservative budgeting. Members opposite might want to practise cautious budgeting one day. I will explain it to members opposite. What we do is we put in a very cautious estimate of our revenues. That way, there is upside risk in the future. In the former government, there were Treasurers Buswell, Porter, Barnett, Buswell, Nahan, Buswell, Barnett—there were seven Treasurers in those eight years; I cannot quite remember the order, but there were seven of them.

Ms R. Saffioti: That's a good quiz night question.

Mr M. McGOWAN: Yes, it is a very good quiz night question. Who was the only Treasurer three times? It was Barnett. Who was there twice? It was Buswell. Who was there once? It was Nahan and Porter.

During the term in office of members opposite, they basically put in very high estimates of their government's revenue, particularly its royalty revenue, and then spent accordingly. When revenue started to decline, particularly royalties in about 2013, the budget absolutely fell apart, and they lost the AAA credit rating. That occurred. That is the forward estimates. Every year, our forward estimates have indicated an increase in debt, and every year it has gone down because we actually budget cautiously. It is a deliberate strategy to avoid what the former government did when it was in office. That has put Western Australia in a position in which we have regained the AAA credit rating, we have paid down debt once again and we have surpluses across the forward estimates. We have now delivered six surpluses and four years of paying down debt, and the Leader of the Liberal Party stands

up and asks questions about this. I do not know who does the strategy for either of the opposition parties. We gave them more staff than we had in opposition. I do not know what they do. I do not know who does it for them. Although I am loath to say they should get rid of staff because I support people keeping their jobs, I think they need to look at who is doing it for them.