

AUSTRALIAN BUREAU OF STATISTICS DATA — WESTERN AUSTRALIAN ECONOMY

838. Mrs L.M. HARVEY to the Treasurer:

I refer to the Australian Bureau of Statistics data released yesterday. Will the Treasurer inform the house about what these statistics say about Western Australia and our contribution to the national economy and, more specifically, how these figures relate to bankruptcies and receiverships?

Mr C.C. PORTER replied:

I thank the member for the question.

Mrs M.H. Roberts: You have the answer to my question now!

Mr C.C. PORTER: I will get to you, member for Midland; because I do have the answer now. It is just a shame that the member did not have the question right!

The recent Australian Bureau of Statistics data shows that the state's gross state product grew by 3.5 per cent in 2010–11. In actual fact—I will make a quick comment on this in a moment—it could and should have been better than that.

Mr E.S. Ripper: It is below average.

Mr C.C. PORTER: It is below its average; in fact, it is around about where it was in 2004. Of course, some economic circumstances prevailing now internationally did not exist in 2004, but I will come to that in a moment. The ABS data indicates that if Western Australia were a nation in its own right, albeit I am not suggesting that it should be, but if it were —

Several members interjected.

Mr C.C. PORTER: The Premier is absent—it may be now is a good time!

Several members interjected.

Mr C.C. PORTER: If Western Australia were a nation, it would be inside the top 50 economies in the world—in fact, we would be forty-seventh. According to the media reports, which I think are fairly accurate, based on this information, if things continue the way they have been, Western Australia looks set to be a bigger economy than Ireland and, soon, Portugal.

Several members interjected.

Mr C.C. PORTER: It is fair to say that there are upward and downward movers on the charts—just like the pop hits! However, what is very interesting about this is that when we look at that 3.5 per cent growth figure as industry gross value added, mining only contributed to the tune of 1.6 per cent. Other parts of the Western Australian economy are very strong contributors to growth. In fact, the ABS data indicates that all the other contributions from industry were mostly positive, with agriculture the exception; no doubt due to the droughts we had last year.

Mrs M.H. Roberts: It was down 36 per cent.

Mr C.C. PORTER: What we have across the board is very positive growth to the economy. Another very interesting part of the statistic is that when we look at it on an expenditure basis—business investment is 12.6 per cent and household consumption 4.5 per cent; both very strong—the contracting figures show that construction work has increased, with a 58 per cent jump in engineering spending in the last three months to September.

Mr B.J. Grylls: Local content.

Mr C.C. PORTER: Indeed. It is showing that the growth is starting to filter through into the areas that we were hoping it would.

One of the reasons that we could and should be better than this is the lack of infrastructure. The one thing other than prevailing economic circumstances that is preventing the state from growing at higher rates than that is infrastructure bottlenecks. At the same time that we are growing at 3.5 per cent and are 15 per cent of the overall economy, we spend well less than 10 per cent of the commonwealth spend on infrastructure in this state—well less, even though we are one of the most capital-intensive economies on earth.

The very last part of the member's question was: how does this relate to bankruptcies? Yes, the member for Midland asked a question about bankruptcies yesterday and I did have a little look at those figures. If we have that type of growth, it would seem counterintuitive that bankruptcies would be going up. I agree with that. There might be two explanations. One I offered yesterday is that the figures are not the best measure.

Mrs M.H. Roberts: Tuesday—not yesterday.

Mr C.C. PORTER: One I offered on Tuesday is that the figures are not the best measure and they are measuring churn rather than distress in the economy. One of the other possibilities is that the figures were not right! We have had a little look at those figures. Three things were put. First, that the appointment of receivers by secured lenders increased by 52 per cent for the first nine months of 2011, compared with the same period in 2010. That is basically correct. The problem there is that there is such a small number of appointments of receivers by secured lenders in WA—usually 150 to 200—that taking a nine-month to nine-month snapshot gives wild variations. But that figure is correct, albeit not a very good measure. Second, the member told us that WA now has the highest rate of mortgages and housing stress according to the National Centre for Economic Modelling—that is, WA at 14 per cent housing stress with the next highest being New South Wales at 12 per cent. Is the document I am holding up for the member the document those figures came from?

Mrs M.H. Roberts: It may well be.

Mr C.C. PORTER: I will table it because it is interesting to note that this is the authoritative document and that, instead of showing that WA has the highest rate of mortgages and housing stress, it shows that WA has the lowest rate of mortgages and housing stress. I will table that. It seems interesting to me that the member for Midland would get it absolutely 100 per cent wrong in her first question in three months. In fact, WA has the equal lowest percentage of mortgages and housing stress at nine per cent. I table the document.

[See paper 4259.]

Mr C.C. PORTER: The third thing that the member for Midland said was that Western Australia was the worst state performer on bankruptcies with September quarter bankruptcies up by over 40 per cent. Now that data, it seems to me, was from the Insolvency and Trustees Service Australia and I will table that as well. WA did not have a quarterly increase in bankruptcies of 40 per cent.

Mrs M.H. Roberts interjected.

Mr C.C. PORTER: The member's question was this: why is Western Australia the worst state performer on bankruptcies with September quarter bankruptcies up by over 40 per cent? The shadow Treasurer does not know what a quarter is! Is a quarter three months or nine months, member?

Mrs M.H. Roberts: Don't you know?

Mr C.C. PORTER: Funnily enough, the member is the one who does not know what a quarter is, and she wants to be the Treasurer of Western Australia. The almost forty-seventh largest economy in the world, and we want someone who does not know what an economic quarter is!

Mrs M.H. Roberts: It's taken you two days to come up with this rubbish.

Mr C.C. PORTER: It took you four months to get the question wrong! Four months—and she got two of the questions completely wrong.

Mrs M.H. Roberts interjected.

The SPEAKER: Member for Midland! The Attorney General will return to the substance of the question.

Mr C.C. PORTER: Indeed, it was not merely that the member was not looking at a quarter; she was not looking, as the question suggested, at total bankruptcies, but at a very selective part of bankruptcies. When members of the house look at total bankruptcies and compare the 2010–11 financial year with the 2009–10 financial year, bankruptcies were down 10.5 per cent, and total insolvency activity was also down by 9.8 per cent. Interestingly, when that is looked at even as a percentage of the total Australian economy—we are 10 per cent of the population and about 15 per cent of the total economy—and that data is compared, members will see that we do much better than almost all the other states. If members look at New South Wales, they will see that they are well above their population share in bankruptcies and insolvencies. The same with Victoria. We are well below our share of the national economy at 15 per cent, and we are decreasing as the economy grows. The economy is doing well. The benefits are starting to flow through to all income categories, to the types of local content industries that we want and also to small business. That has been, quite contrary to what the shadow Treasurer suggests, clearly reflected in the data that we would expect it to be reflected in.

The SPEAKER: Attorney General, you suggested there was another document you were going to table. I presume it has already been taken by the attendant.

Mr C.C. PORTER: It has already been taken.

[See paper 4260.]