

LOAN BILL 2017

**20. Mr C.J. TALLENTIRE to the Treasurer:**

Can the Treasurer explain to the house why he is seeking a Loan Bill to authorise the government to borrow an additional \$11 billion; and is it true that a re-elected Liberal government would not have needed the money to manage its budget, as claimed by the Leader of the Opposition?

**Mr B.S. WYATT replied:**

I can answer both questions, and indeed I will, member for Thornlie. It does not give me great pleasure, members, I must admit, that the first notice of motion that I get to do as Treasurer is to request to introduce a Loan Bill requesting an authorisation for a further \$11 billion in borrowing. We know that net debt became a significant talking point.

Several members interjected.

**The SPEAKER:** Members! Leader of the Opposition, I have given you fair leeway today. It is not your job to interject on every question. If you do not learn today, you will be having an early night; okay? Thank you.

**Mr B.S. WYATT:** As all members know, net debt increased significantly under the term of the former Liberal–National government; it increased dramatically. What I will seek to do in the legislation that I will introduce is —

**Mr D.C. Nalder:** Is increase it further.

**Mr B.S. WYATT:** Can I just make one point by way of an aside? Regardless of what the Liberal Party may want to do, it does not get to have a simulated reality. It does not get to treat all this as some sort of *The Matrix*–style, “I’ll swallow the blue pill and wake up in the bed when everything’s all okay”! Unfortunately, the \$11 billion that I am having to borrow is the Liberal Party’s spending plan! I was intrigued by a couple of statements made by the Leader of the Opposition, particularly one in yesterday’s *The West Australian*. I will table it just so the opposition is satisfied. It reads —

State debt would never have reached \$40 billion under a Liberal government,” Dr Nahan said.

“The Liberal Party would not block the Government’s planned Loan Bill —

That is good —

but will vigorously debate it to ensure the people of Western Australia understand why this level of debt is the making of the McGowan Government.”

I remind all members of a little Liberal Party document—the *Pre-election Financial Projections Statement*. We all remember it because we all awaited it with some keenness. I thought: that cannot be right; the Leader of the Opposition is gobbling down his blue pills and saying, “It’s got nothing to do with us; it was never going to hit \$40 billion under us”! So I thought I would check. The Under Treasurer’s certification on page I states —

This PFPS is based upon all relevant decisions that I was aware of or that were made available to me by the Treasurer ...

Of course, at that time the Leader of the Opposition was the Treasurer. We also know that a few decisions were not made known to the Treasurer, but we will come to that in due course. When I look at this document, sure enough, there it is, the forward estimates—\$41.1 billion. I am very excited by the fact that for the first time in eight and a half years, I watched all those opposite with great keenness. They had not the slightest bit of interest in debt, other than increasing it. We now have a Leader of the Opposition who has a very different approach to the finances of the state. Just so you know, Mr Speaker, this is quite a change in fiscal policy for the Liberal Party.

A document released by the Leader of the Opposition when we, as a new government, were updating everybody on the financial deterioration since the *Pre-election Financial Projections Statement*, stated that we cannot just ignore the forward estimates and only focus on expenditure and debt. What happens after that? Can I say how pleased I am that the Liberal Party has finally woken up to the fact that there are forward estimates. I recall the former Premier standing right here in this chamber saying, “You don’t worry about the forward estimates; they never arrive—they never get here.” Ultimately, of course they do, which is why I am now happy to introduce a bill to borrow \$11 billion to cover the Leader of the Opposition’s spending profile as per the PFPS. I hope that I do not need all that authority. I do not want all that authority. The Leader of the Opposition can swallow those blue pills as much as he wants but I have a couple of red ones for him. The reality is that that financial approach of “It’s all okay because iron ore prices are going to go up, we’re going to win the election in a landslide, everything is going to be hunky-dory and it will all be okay” is over. The hunky-dory approach to financial management is over!

**The SPEAKER:** Member, can you table the paper that you said you would table?

**Mr B.S. WYATT:** Sure.

[See paper 212.]