

FINANCIAL MANAGEMENT — FORMER LIBERAL–NATIONAL GOVERNMENT

Motion

Resumed from 28 June on the following motion moved by Hon Sue Ellery (Leader of the House) —

That this house condemns the former Liberal–National government for its reckless mismanagement of the state's finances.

HON SUE ELLERY (South Metropolitan — Leader of the House) [1.11 pm]: I indicate I have concluded my remarks, so I commend the motion to the house.

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [1.11 pm]: I am going to make a few comments on this motion. Suffice to say, we of course will not be supporting the motion; in fact, I am really disappointed that the very first motion of the new government once again condemns the last government. I would have thought that after eight years of desperately trying to get to the other side of the house, it might have actually offered something with a bit more foresight than condemning the previous government. I would have thought that, after eight years, members opposite had a great story to tell, but apparently not.

Hon Sue Ellery: We are cleaning up the mess!

Hon PETER COLLIER: Apparently, they still want to live in the past and condemn the previous government.

Several members interjected.

Hon PETER COLLIER: Let me just extract that —

The PRESIDENT: Order! Let us just start the afternoon how we want to end it—one speaker at a time! Hon Peter Collier has the call.

Hon PETER COLLIER: Thank you, Madam President.

Can I extract a well-used cliché from the Leader of the House: “I sat in silence and listened to you. Will you give me the same respect?” That is exactly what I did, so I would expect the same respect. Can I say to you, Madam President —

Hon Dr Sally Talbot interjected.

Hon PETER COLLIER: And can I say to Hon Dr Sally Talbot that never once in her entire parliamentary career has the member accepted an interjection, so I will not be accepting any interjections from her.

The PRESIDENT: I am going to interject at this point and say that you should not be encouraging any interjections by naming members. Please continue.

Hon PETER COLLIER: Point taken, and I stand corrected.

Let us have a look at some of the motions on the notice paper. We have some very good motions on the notice paper thus far. We had Perth Modern School—an issue of serious public concern. We debated it. The house made a judgement; the minister, to her credit, listened to at least part of the motion and changed her mind about Perth Modern. The other part I still do not agree with and I think she has made a serious mistake there, but regardless it was a pertinent issue in the community. We have one from the Greens on climate change—a very pertinent issue in the community. We have one on the sale of the TAB, which is a contentious issue, from the National Party—a very pertinent issue. There is one on the National Disability Insurance Scheme, again from the Greens. Another on the independent rural fire service from the Shooters, Fishers and Farmers Party. There is one on the establishment of a select committee on elder abuse from the Liberal Party.

My point, honourable members, is that we need to debate these very, very good issues in this place. They are issues we need to raise and debate as a representative chamber of the public of Western Australia. What can the new government offer? What can it offer? To condemn the previous government on its finances. Give me a break! Surely, after all this time—after the eight years it has spent on this side of the chamber, trying to think about getting into government—it could have come up with something better, or at least given some insight about where it is going as a government or looking forward to the social reforms of the new government. Not on your life! So typical and so predictable.

We should be used to this, Madam President, because you may remember that at the commencement of the thirty-ninth Parliament—let me remind members—the then opposition put on 12 motions of condemnation, or words to that effect, in the first three days of the last Parliament. Effectively, we spent the first year and a half condemning the then government. We of course were not going to sit there and wait for another 12 to come on condemning the government, so we stood and reciprocated. We put on 12 or 13 motions congratulating the government. It made a mockery of motions on notice. We spent the entire parliamentary term—four years—

congratulating and condemning the government. That is not what this time is for. This time is actually for raising issues of social conscience—issues that members really want to raise. I would like to think, following a meeting of the leaders of the various parties last night, that we can get to that point halfway through next year, or at least we will get some decent motions on the notice paper now, which is good.

I will draw upon a couple of comments from the Leader of the House with regard to her contribution. I have a couple of comments, and I will come back to a couple of others, primarily in this instance about the actual wording of this motion that condemns the previous government. She said in part —

There were a number of reasons that the previous government lost the election. Members will be given different lists of reasons depending on who they speak to, but some of the reasons include the following. There was a perception that the government was arrogant, tired, a bit out of puff and had failed to capitalise on the boom. There was the Colin Barnett factor, if I can call it that. It would depend on where people had their conversations, but he was the focus, pretty much across the state, of a huge amount of ill will that was directed towards him personally. There was also the view that no succession plan was in place. To those people who wanted to support the Liberal–National government but thought that it needed a different leader, it did not appear that it actually had one. There was a view that the only plan that the Liberal–National government had to deal with the state of the economy was to privatise. Its solution to fix the damage that it had done over eight and a half years was to privatise. There was deeply felt concern about jobs, not only for folk who were in the workforce, but also about whether their children would be able to find jobs in the future. They could not see the Liberal–National government doing anything to address that. There is also the matter that is at the heart of this motion. There was genuine concern that the Liberal–National government, contrary to all stereotypes, had wrecked the finances.

In that entire commentary there was not one word about the goods and services tax share. It is very important when we talk about finances, because the GST factor was completely absent in anything that the current government when in opposition talked about in terms of issues with regard to the finances of this state. That was at that time. That was then. I will do a bit of a then-and-now scenario here and create a compare and contrast. I am going somewhere with this, Madam President, and I ask for your indulgence and patience.

Several members interjected.

Hon PETER COLLIER: I will say to you, Madam President, that with regard to the GST the then opposition was in complete denial. The now government is saying the state of the finances was due entirely to the previous government. It had nothing to do with the GST; it was entirely due to the previous government. We have had this lecturing from the Leader of the House and from various members opposite, talking about how they will go through this budget line by line, as if we did not before, and how they have these terrible issues within government that they have to deal with. There has been no mention at all of the GST—none at all.

You can just imagine, Madam President, that very first cabinet meeting when the now government got in there and had a look at its \$5 billion commitments and talked about an \$11 billion Loan Bill with this parlous financial state. Meanwhile, two ministers flew off to Sydney on a \$30 000 junket that was an absolute waste of time and money. Government members pocketed \$4 000 each for an extra car. Madam President, I have not finished with that one yet. I can assure you that I have not finished with that one yet.

Several members interjected.

Hon PETER COLLIER: We have been dragged kicking and screaming in regard to that one in trying to extract that information. So much for the transparency of this mob opposite. They sit there and cast stones; they have glass jaws. These tiny little things may be minuscule in their eyes, but in the public's eyes they are very significant. I promise that I am going to get to the bottom of this business with the double dipping on the cards. I am almost there. It has taken the better part of four months, but we are almost there. Yes, members opposite can sit over there and be amused and laugh and carry on all they like, but, quite frankly, that is testament to an arrogant government. Cabinet was wondering how on earth it was going to justify this spending. Its members would have been saying to each other, "I know what we'll do. We'll blame the other government constantly and incessantly. Every single bill that goes through, we'll blame the previous government. Every time we answer a question, we will put in there about the financial incompetence of the previous government." We had that for about the first three months of this government. Members opposite could not utter a word without using the term "financial incompetence". Talk about juvenile! That is what we had to deal with. Any other suggestions? Every time members opposite faced the media, they condemned the previous government—it was the previous government's fault. Every time they put legislation through, it was the previous government's fault. That is the mantra we heard. Hon Sue Ellery would have stood up and said, "Yes, let's have a motion to condemn the previous government. That's a great idea. I'll get Sally to move that motion; she's got a PhD in condemning." That is exactly why this motion is here now—to condemn the previous government. It is all part of this whole mantra of condemning the previous government, but

when it comes down to it, members opposite are in government. They knew the financial situation, they knew what the situation was with the GST—I will talk about that in a moment—and they knew what the situation was with the revenue base of this state, yet they still went out and announced \$5 billion in commitments, which was extraordinary. I will get on to a number of those in a moment. They knew full well that the GST situation was untenable. It has contributed significantly to the financial situation of this state, and I will talk about that in a moment.

That very first cabinet meeting would have been interesting. Government members were trying to ascertain their message, at least for the first six months until they got a budget, when they would really have to take responsibility for it. It would have been interesting to see whether they had to come to a conclusion about the GST. I will show members in a minute why the government has come to that conclusion, because the messaging has changed somewhat now. It has changed from what it was when Labor first took office to the GST being a bit of a problem, and it has to deal with it just as the previous government had to deal with it. I will look at the GST. I intend to spend a lot more time on the GST and issues regarding it in my response to the budget, but I will just go through a few things now. There is a problem with the relativities, which is based on revenue growth. That is where the Commonwealth Grants Commission determines the relativities. As I am sure Hon Dr Steve Thomas will comment on when he makes his contribution to the debate, getting to a point of having a fiscal horizontal equalisation scheme that actually works is very problematic. Particularly with fluctuations in royalty bases in states like Western Australia and particularly when there is a lag with the base, it makes it very difficult for the relativities to be determined year in and year out. I will go through a few of these facts to determine exactly why it is a problem particularly for Western Australia. Everyone is well aware that in 2009 the GST was at an acceptable level in Western Australia of 85c in the dollar. That is fair enough in a resource-rich state, but it was still problematic given that three-year lag. In 2015–16, our share of the GST was 30 per cent. That meant WA's GST revenue fell by \$2 billion. I repeat: \$2 billion. Regardless of who was in government, that would have impacted on the base bottom line of whoever held the treasury bench. It is the lowest rate of any state since the introduction of the GST, and despite our state's population increasing from 9.8 per cent to 11.2 per cent of Australia's population. What made it even worse was that in 2016–17 it rose from 30 per cent to 30.3 per cent, but of course that was still unacceptably low. Western Australia's GST revenue was estimated at \$2.035 billion in 2016–17, an increase of only \$150 million from the previous year. Only \$20 million of that growth was due to the slight rise in our GST relativity. If Western Australia received its population share of GST revenue, it would have received an additional \$4.7 billion in 2016–17. The total GST subsidy paid by Western Australia to other states over the period 2015–16 to 2019–20 is estimated at \$17.8 billion. I repeat: we would have received an additional \$4.7 billion if it had been based on a population formula. That, in anyone's language, makes a significant inroad into a budget of any government of any persuasion, but it was completely ignored by members opposite. They insisted that it was entirely our fault.

Since 2014–15, successive state governments—that is, the previous Liberal–National government—succeeded in getting top-ups. We got about \$1.2 billion in additional money from the federal Liberal government. There was \$499 million in 2014–15, \$490 million in 2015–16 and \$226 million in 2016–17. This funding has been provided to effectively maintain Western Australia's GST relativity at the 2014–15 level of 37.6 per cent. If we are going to get a floor in the GST level, 37.6 per cent is simply not acceptable. Everyone is conscious of that. That has pretty much resulted in, for want of a better term, a de facto floor, but it is unacceptable. We are in furious agreement with that across this chamber. We cannot deny that fact, even though we are at opposites in a lot of things. There is not one person sitting in this chamber, including the clerks and the attendants, who would disagree with the fact that 37.6 per cent is unacceptable as a floor. As Western Australians, we cannot disagree with that. But according to members opposite, it was not an issue. They have discovered this issue only recently, perhaps because for the first time in eight years they have had to deliver a budget.

Hon Alannah MacTiernan: Will you take an interjection?

Hon PETER COLLIER: I will not take interjections from the honourable member.

The system is flawed and inequitable. I am sure Hon Alannah MacTiernan would have made a contribution to that debate as well. She would have had a solution. She will write her memoirs and that will raise billions of dollars! They need money. They need to raise money, not lose money. Hon Alannah MacTiernan's memoirs would be on the discount rack on day one!

The GST provides some very perverse outcomes. It instils almost a welfare mentality amongst states. It is much easier for a state to not worry about a revenue base or growth within that state because it would be penalised as a result. Just ask the Tasmanians! They are the recipients of that. As a result, it creates a number of perverse outcomes. States really do need to increase their revenue to have an incentive to raise their tax rates above the national average, rather than to grow their underlying revenue base. That is what I said, because if the revenue

base goes up, their GST share will correspondingly go down. When there are fluctuations in the revenue base, like in Western Australia, that creates a major issue for the state, particularly for Western Australia and particularly because of the lag issue. I reinforce: it does create almost that welfare mentality amongst some states. The equalisation formula certainly creates problems for states in managing their budgets, predominantly due to the time lags, particularly in Western Australia. From our perspective, it is always going to be difficult to manage our budgets year in, year out. That is the problem we had, but not according to members opposite. Let us have a look at what has been said by members opposite in a moment, but, for the time being, on the assumption that all the lag is removed from the Commonwealth Grants Commission process, Western Australia's GST grants would be \$7.4 billion higher across the four years from 2016–17 to 2019–20. The problem that I am sure Hon Sue Ellery is having at the moment getting money for education would largely be eradicated. Imagine if the government had that extra \$7.4 billion in the bottom line to draw from. I know what the government is going through.

Hon Sue Ellery: Will you take an interjection?

Hon PETER COLLIER: I will always take an interjection from the Minister for Education and Training.

Hon Sue Ellery: If you can help get some money out of the commonwealth for education given its changes to what it gave Western Australia last year versus this year, that would be very helpful.

Hon PETER COLLIER: Ultimately, the minister agrees the government will get that money.

Hon Sue Ellery: Ultimately, but in the first three years it is very difficult for Western Australia.

Hon PETER COLLIER: I know. I can assure the minister that I had to deal with that as well. But, ultimately, we will be a lot better off as a result of that agreement.

In 2016–17 alone there would have been an extra \$3.2 billion. The point is: we would be literally billions of dollars better off if that so-called equalisation formula was not so flawed. The mob opposite can throw stones all they like. It is what they have done for years upon years, and continue to do. Certainly, that is what they did for the first three months of their term of government. Or, perhaps, they could look at the fact that the GST has been a major contributor to our financial problems. With that in mind, let us have a look at some of the comments on the GST by ALP members when they were in opposition. In the Assembly, on Wednesday, 18 May 2016, the now Premier, Hon Mark McGowan, said —

It is the dog ate my homework excuse. Members opposite blame everyone and everything except themselves. After all, they have only been the government for the last eight years. They blame the GST despite two things that need to be noted. The only leader at the Council of Australian Governments meetings discussing and debating the GST today who was there and involved in the debate when it was formed was you, Premier. The only one who was in office and involved in creating the GST was you. You are the only one who was in Parliament at that time and who supported the creation of the GST arrangement. It was you, Premier.

In the Assembly, on Tuesday, 17 May 2016, the now Hon Ben Wyatt said —

There was a whingey, whiney response from the Treasurer and the Premier on budget day and the day after that, "If we had our per capita GST we would be in surplus." They may as well say, "If someone had given us \$4.7 billion, we would be in surplus." It is an absurd proposition to take. It is not about financial mismanagement; it is about the fact that we did not have enough revenue.

On Tuesday, 5 May 2015, Mr Ben Wyatt said —

There has never been a revenue problem; I have made that point time and again. There has never been a GST shock; we have always known each year what the GST would be. We have also always had the warnings, colleagues. Tim Marney, the then Under Treasurer, warned us in the lead-up to the 2008 election and just after it. In fact, the midyear review was written for the member for Cottesloe. Again, Treasury was cast out into the outskirts of government, desperately trying to get a message through to the Premier.

In essence, the argument is that it is not a GST problem; it is the government's problem. That was before the election. As I said, for the first three or four months after the election it was all our problem. This motion is part of the strategy that the government was using when it was in opposition. At every opportunity it condemned the previous government. We have witnessed that in pretty much every answer to questions. Responses are always pre-empted with a condemnation of the previous government. Every time a minister has gone on camera, they have condemned the previous government. It has become absolutely monotonous. But, now, of course, when the government is doing a budget, it has realised that the GST is a problem. The GST is a problem for this government, and it will have to deal with it. Let us have a look at what the Premier said on Tuesday, 8 August 2017 —

I thank the member for Joondalup for the question. Since the *Pre-election Financial Projections Statement*, we have lost \$5.4 billion, and that comprises mining royalties, GST, softer tax collections in a range of areas and also a decline in direct commonwealth funding for health and education. That was made worse in the last couple of weeks when it became plain to us, following advice from Michael Barnes, the Under Treasurer, that because of the recent census figures, we would have a reduction of \$1.9 billion in our GST share. I want to explain to the house how that works. The census has come out with a reduction of 60 000 Western Australians than were there before, which does not sound like many, but the way that the GST system works means that there is a direct impact from Western Australia's reduced population on the share of the national GST pool, which results in a \$440 million decline. The Commonwealth Grants Commission will assess Western Australia as having a lower infrastructure spending requirement of \$475 million and the Commonwealth Grants Commission will assess Western Australia as having a higher per capita revenue-raising capacity relative to other states, which is \$1 billion. If those three things are added together, a 60 000 decline in population results in nearly \$2 billion over the next four years in lost income to the people of Western Australia from the commonwealth.

Welcome to government! That is exactly the point we have been making for the previous eight years, or certainly the last five years, on the fluctuations and inequity involved in the GST formula. I remember seeing the Premier on television complaining about the legitimacy of the census. He said that not everyone fills out the census and that somehow that was an issue. Give me a break. It is a problem. I sympathise with you guys. If I were sitting on the government benches trying to work out a budget now and all of a sudden \$1.9 billion was extracted because the census changed and Hon Sue Ellery has to say, "We've got to lose \$100 million from somewhere", I know very well what the director general of Education would say. She would say, "We can't do it. We haven't got any money. The cupboard is bare and we cannot take any more dollars from it." That is part of being in government; it is exactly what we had to deal with year in, year out. Those fluctuations in the relativities made it virtually impossible to determine our income in the forward estimates.

Let us have a look at what the ABC News website reported Hon Ben Wyatt as saying on 24 March —

Treasurer Ben Wyatt admitted it would be virtually impossible to meet Labor's pre-election commitment of bringing the state budget back to surplus by 2019–20, following the revised figures from the Commonwealth Grants Commission.

WA had been expecting to get 38 cents out of every GST dollar raised in the state in 2017–18, but that has now been revised down to 34 cents.

...

Mr Wyatt described the situation as "beyond a joke".

He accused the Prime Minister of showing an "abrogation of leadership" on the issue.

"This makes it very difficult to return to surplus in [2019–20] and it does create more urgency in finding recurrent savings in WA," Mr Wyatt said.

"I am horrified and furious that the Grants Commission could still think that Western Australia, in the fourth year of what is effectively a domestic recession ... has the strongest fiscal capacity of all the states.

I have a number of other statements, but I still have a lot to get through, so I will stop there on that issue. Once again, I reinforce the point: the GST is a massive issue. It was a massive issue for us in government. The fluctuations in the relativity made it almost impossible to determine where the government was going and that is exactly the same system that the Labor government has inherited. Having said that, the previous government made \$5 billion of election commitments. Our commitments were based on a plan—I went through that when I gave my contribution to the Address-in-Reply and Loan Bill debates on the partial sale of Western Power. As a former Minister for Education and Training, when a government is given \$1 billion, it is manna from heaven; it is extraordinary. To be able to say to those 69 pre-1980 secondary schools that they would get the renovations they richly deserved with \$560 million of investment is manna from heaven.

Hon Sue Ellery: You said that at the election before as well.

Hon PETER COLLIER: And we contributed over a half a billion dollars to those schools. With that in mind, let us now look at a couple of other comments from the government, because it is a little loose in its terminology. It certainly was in opposition and also now in government. Last time we sat, one of the other comments Hon Sue Ellery made in her contribution states —

It had set money aside in a special bank account to build Fiona Stanley Hospital and had built an average of 11 new schools a year.

Extract from Hansard

[COUNCIL — Wednesday, 16 August 2017]

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Hon Sue Ellery; Hon Peter Collier; Hon Dr Sally Talbot; Acting President; Hon Simon O'Brien; Hon Diane Evers

Rubbish! The previous Labor government never ever built 11 schools. It never built anything like 11 new schools a year. That is rubbish; that is nonsense. I do not know where the honourable member got her figures from, but they are inaccurate. I will not ask the honourable member to withdraw her inaccurate comment; I know what I would get. Let us look at how many schools it built. In total, the previous Labor government built 39 schools. It built five in 2002, eight in 2004, six in 2005, three in 2006, eight in 2007 and seven in 2008—39. How on earth is that an average of 11? That is not 11 schools. That was an inaccurate statement that was used consistently during the campaign. Another statement that was used was that the government at the time had built only three schools a year. Absolute rubbish! We built 41 new schools from the time we were in office: nine in 2009; four in 2010; three in 2011, which was the only time we built only three; four in 2012; six in 2013; six in 2014; four in 2015; five in 2016; and this year I opened another five. Where on earth did the Labor Party get the figure of three a year? Those facts are wrong. My point is that it does not matter that it is a little colourful with the truth, but those facts are wrong. From that perspective, that is exactly what the Labor Party delivered to the public for the entire time it was in opposition.

Let us look at transportables, because we used to get this business with transportables: our schools were flush with transportables. An oft-used cliché that I use is that at North Kalgoorlie Primary School in year 4, I was in a transportable with Mr Craig. Transportables are nothing new. Transportables are used and have been used ad infinitum by the Department of Education to ensure that it deals with fluctuations in student population. It is eminently sensible. Was there an overflow? Was there a massive increase in the number of transportables during the time of our government? No. Let us look at the reality. In “Investing in our Schools”, the plan for new schools, Hon Mark McGowan states —

In 2016 there were 2291 transportable classrooms at WA primary and secondary schools.

Absolutely wrong! It was close to 2 300 in total, and that included agricultural colleges et cetera. That number has not changed much. But let us look at the reality of the situation in primary and secondary schools; there is nothing better than good facts to add weight to the argument. In 2008, there were 1 800 transportables in our schools. That is when we took office. At the end of 2016, there were 1 833. It was a bit more, but we had an extra 4 200 students, so there were actually fewer transportables. In 2008, there was one transportable to 141 students. In 2016, it was one to 161 students. Again, do not let the facts get in the way of a good story, and that is exactly what has happened here.

Let us look at funding across the board, because we heard ad infinitum from members opposite about this magical \$200 million that had been extracted from our schools. Absolute rubbish! The Leader of the House, who was the Leader of the Opposition and often made those comments, will now have access to that information and will know that that is rubbish and that it does not take into account the hundreds of millions of extra dollars that we put into schools in 2014–15, with an injection of another \$46 million into the student-centred funding model and so on. That is nonsense. Funding in Western Australian schools increased by 70.3 per cent. We had to slow down that increase in 2014 because of the accelerated rate of that increase. The student population increased by 15.6 per cent over that entire time of the government. There was a 15.6 per cent increase in student population and a 70.3 per cent increase in spending in our schools. Yes, we have the highest paid teachers in the nation. Yes, we have the highest resourced students in the nation. I make no apology for that. That is exactly why we have the best NAPLAN results and the biggest improvement in NAPLAN results of any jurisdiction in the nation. I am proud of that. This nonsense that we somehow culled our education system is just rubbish. Every time we tried to have any restraint at all, we got criticised by members opposite, while at the same time they were saying that we were spending like drunken soldiers. The hypocrisy has no bounds.

Let us look at education assistants, because this was a pearler. Apparently, we gutted the system of our EAs. Let us look at the reality of their situation. In 2008, we had 5 457 EAs. In 2016, we had 7 517 EAs. That is an increase of 2 060. That is a 38 per cent increase in the number of EAs in our schools, when the student population increased by just over 15.5 per cent. In anyone’s language, yet again, that is a massive increase. Yes, we cut back in 2015, but then it accelerated and 100 of those EAs were looking after anaphylactic students. Very frequently, one EA would look after one student in a school. Is that an effective use of resources? Of course not! We did what every other jurisdiction in the nation did: we put the problems of dealing with a child with an anaphylactic reaction online so that all teachers were involved. That was eminently sensible. This notion that somehow we culled our schools of EAs is nonsense. Let us look at the latest *Report on Government Services* data that shows exactly where we are at the national level.

Western Australia has more EAs than any other state in the nation; no-one comes close to us. The average is 1.1 EA to 35.2 students. In sixth place is New South Wales, with one to 45.1 students. In fifth place is Victoria, with one to 37.5 students. Queensland and Tasmania are equal fourth, with one to 31.3 students. In second place is South Australia, with one to 31 students. Western Australia is top in the nation of the most number of EAs per student, with one to 25.7 students. I am proud of that. We gave our schools enormous support. We funded our schools like they had never been funded before. We gave them more EAs than they had ever had before. We paid

our teachers more than they had ever been paid before. We inherited a situation in which we had mass teacher shortages—not one or two and not the science teacher at Meekatharra. We were 264 teachers short in 2008. That means that thousands and thousands of students did not have a teacher at the beginning of 2008. We can talk about our great set of books, but what about the social costs for those students who did not have a teacher? We solved that by giving our teachers what they deserve and what they are entitled to. We made them the best paid in the nation and I make no apology for that. We are criticised by members opposite when we ask for a bit of restraint, but at the same time, let us have some objectivity. Our schools are the highest resourced schools in the nation. No-one comes close to us. As I said, as a lifelong educator I am proud of that. I would like to hope—I am sure Hon Sue Ellery will do so—we will sit in there and fight the good fight at the Economic and Expenditure Reform Committee or whatever it is called now, but I do not envy her.

Having said that, we copped enormous flak when the government went to the last election with the notion of introducing another 300 education assistants to our schools. I say to the Minister for Education and Training that I understand the desire of United Voice to recruit all those EAs but that money is not well spent. Education would be much better off if the government did what we did. We opened 21 child and parent centres—those magnificent wraparound services for literally tens of thousands of students every day. One child and parent centre serviced anything up to 10 primary schools with the wraparound services of mental health, speech therapy, parenting workshops and early intervention on literacy and numeracy. Tens of thousands of students accessed those child and parent centres every day. How successful were they? They were phenomenally successful. The minister has in her hands, perhaps not at the moment, but certainly in her office, a report on the success of child and parent centres. I have a copy. They are fantastic. We went to the last election promising \$18 million to open another five: one in Kalgoorlie and one in Ellenbrook and the others to be determined at a later date. They were all in low-socioeconomic areas to assist those who most need help with early intervention particularly on literacy and numeracy. They were also to provide early intervention parenting workshops to empower parents to be part of their child's education.

Hon Pierre Yang interjected.

Hon PETER COLLIER: I am sorry; I do not have time. We committed \$18 million to help literally tens of thousands of students or 300 EAs with —

Hon Pierre Yang interjected.

Hon PETER COLLIER: I am sorry; I do not have time for an interjection. There was \$0.3 million here; \$0.2 million there; \$1.2 million here and \$1.3 million there. It is fine for that school but if the government really wants value for money, with \$40 million over four years, 12 childhood parent centres could have been established throughout the state that would involve literally tens of thousands of students with that early intervention. I therefore do not think it is money well spent.

Having said that, I wonder why the government went down the path of putting 300 additional EAs into the schools. There may have been an altruistic purpose; I am sure a degree of altruism was involved. It would certainly not have come from principals or a lot of schools because I know very well they would love to have seen more child and parent centres. I visited 628 schools when I was minister. I can tell members opposite right now that wherever I went, particularly at the primary school level, they loved them. They salivated at the prospect of more child and parent centres. It could perhaps have been to do with the fact that 300 new EAs meant 300 new members of United Voice. Could that be it? Could it perhaps have been a political decision? Possibly. There is a new group called Progressive Labor that is knocking on the door of United Voice. Perhaps the government saw an opportunity for United Voice to get 300 new members on its books. Let us look at this letter, which was sent to potential EAs at the beginning of the year. I have obviously redacted the name of the person it is addressed to. Mind you, I have a lot of these. It is headed "United Voice Induction Advice" and reads —

I am forwarding information regarding the mandatory United Voice Induction for Education Assistants: New education assistants and redeployees must be inducted into the worksites and attend a 30 minute induction session at regional centres within three months of starting employment. Each term, two sessions are coordinated by Workforce Management.

The sessions are an industrial requirement and provide an opportunity for education assistants to network with other education assistants and meet United Voice representatives without department representatives being present.

New education assistants who commenced between 30 January and 17 February are scheduled to attend sessions in Weeks 7 and 8. The names of new education assistants, dates, times and venue information have been provided to United Voice.

It then contains a little personal note to the EA, as follows —

... I have advised United Voice that you are no longer working at ... and you are a trained teacher who is carrying our relief work as a Teacher but they insisted that I advise you of the Date and Time of the Training. Thank you for your time with this.

There is a mandatory induction session with United Voice for all new EAs.

Hon Sue Ellery: Isn't it in the agreement?

Hon PETER COLLIER: Yes, run by United Voice.

Hon Sue Ellery: I don't know. What's in the agreement?

Hon PETER COLLIER: I am asking Hon Sue Ellery; she is the minister.

Hon Sue Ellery: I am asking you what you put in the agreement. You did the agreement, not me.

Hon PETER COLLIER: No, it is run by United Voice. Make no bones about it, this is a mandatory United Voice induction for education assistants.

Hon Sue Ellery: In their agreement.

Hon PETER COLLIER: Listen to this, the letter states, "... and meet United Voice representatives without Department representatives being present."

That is fine; the government can have its 300 EAs. I am delighted; it is an addition to education. I think, quite frankly, that if the government is looking to improve literacy and numeracy standards in Western Australia, it would have been much better off spending the additional \$40 million it has allocated to EAs on providing another 12 child and parenting centres, which would have a positive impact on tens of thousands of students, particularly those low-socioeconomically challenged areas such as Kalgoorlie, where there are massive social issues, particularly in the Aboriginal community.

Yes, it is great that the government has kept its promise, and I applaud it for that, but I think the extra money would have been better spent on child and parent centres. Having said that, the opposition will most definitely not support this motion.

HON Dr SALLY TALBOT (South West) [1.56 pm]: I am very happy to finally get an opportunity to speak on this motion, which, of course, was put forward by me in this house a couple of months ago.

Several members interjected.

Hon Dr SALLY TALBOT: Are you okay? Settle down!

Hon Donna Faragher: We've missed you.

Hon Dr SALLY TALBOT: Thank you, Hon Donna Faragher; I will take that interjection. I hope her colleague Hon Simon O'Brien sees that I am finally back on my feet and comes back into the chamber. I note that my absence from the chamber on urgent parliamentary duties when this motion reached the top of the notice paper was commented on specifically by Hon Simon O'Brien, who expressed his intense disappointment that I was not here. Undoubtedly, he will now notice that I am filling the screen and rush back in. Here he is!

Madam President, I am addressing all my remarks to you.

The PRESIDENT: Good. I thought you were just warming up.

Hon Dr SALLY TALBOT: I had to pause a little there for Hon Simon O'Brien to find his seat.

I was trying to express my appreciation to the Leader of the House, Hon Sue Ellery, for kicking off this motion in such a thorough and productive way. She has absolutely laid the groundwork for the substance of this motion. As the provider of the motion, all I now have to do is fill in some of the colour and movement she did not have time to go into. I express my appreciation to her for laying such thorough groundwork.

This motion has enormous substance and we will spend some time analysing what went wrong because we owe that to the Western Australian community. The WA community has made its voice heard very loudly and clearly, and it will not be listening to Hon Peter Collier, who tried to say, "It wasn't actually our fault; it was the fault of the people on the other side of the country that things went so badly wrong." However, nobody on this side of the house nor anybody in the Western Australian community believes that.

Just before I get on to my substantive remarks I want to say that it was very confusing listening to Hon Peter Collier; I got very puzzled in the middle of his speech about who exactly is the shadow Minister for Education and Training, because clearly Hon Peter Collier has taken the substance of the speech from Hon Donna Faragher, who I think is the shadow Minister for Education and Training. I do not think she will get to her feet on the motion—she will not have anything left to say, because he has already said it. But of course, it is the only thing he knows anything about

so I suppose he was always going to focus on that. If we are getting onto the subject of what we actually do or do not talk about when we get to our feet in this place, which was the framework Hon Peter Collier chose for his speech, I did notice when I was double-checking to see that my list was right that Hon Peter Collier is actually the shadow Minister for Housing; Disability Services. I do not think he mentioned that once during his speech—there was no defence of anything.

Hon Darren West interjected.

Hon Dr SALLY TALBOT: I should put on the record, in case you did not hear that interjection, Mr Acting President, that my colleague Hon Darren West has asked: what about Muja? Muja was not mentioned, but we must of course remember that Hon Peter Collier lost the energy portfolio because of problems in that area, so it is not very surprising that he did not mention Muja. But to not mention anything about housing or disability services I thought was more than passing strange, and he owes the sector much more than that.

I will keep returning to this topic, not to keep rubbing salt into the wound, but just to be absolutely clear about what has gone wrong. I cannot get away from the most important question: does any member on the other side seriously want to defend where the state is now? I truly believe, and it is something that I have often referred to, that in a number of very important senses we are all on the same page in this place. When we go out into our electorates, we find that for a very significant proportion of the time we are advocating for the same things. If I were to ask the six members for the South West Region what the priorities are for the South West, there would be more agreement about what we need than disagreement. I think perhaps one day we should try that as an exercise. In terms of resources in schools, support for local energy projects and the different things that different communities have listed as their priorities, we all listen to what is being said and we make our own judgements about those things.

Hon Simon O'Brien interjected.

Hon Dr SALLY TALBOT: The problem is that the members who are now part of the opposition, who had been in charge for the last eight and a half years, have ended up in a place that they cannot defend. People like Hon Simon O'Brien, who has been here for a long time—a lot longer than I have—must be very close to being the father of the house, I think.

Hon Sue Ellery: He is.

Hon Dr SALLY TALBOT: He is the father of the house!

Hon Darren West: Grandfather.

Hon Dr SALLY TALBOT: Nothing to say of grandfather of the house, perhaps!

Several members interjected.

The ACTING PRESIDENT (Hon Robin Chapple): I really am enjoying the interjections, but I ask the honourable member to continue to address the Chair.

Hon Dr SALLY TALBOT: Mr Acting President, of course I will do that because I know that you are interested in where I am taking this argument, which is to the point at which I want to ask: does any opposition member think that the position the state is in, financially and fiscally, is seriously defensible? Did they start off in September 2008 thinking, “I know where we want to land. By the beginning of 2017 we want the state to be heading to a debt figure of more than \$40 billion, going north”? Is that really what they wanted? Did they really want to see debt and deficit blow out in the way that it has? If they did not, it is no good coming in here and saying, “This is what you said in opposition; you were blaming the government for the GST”. Of course, we did that. It was really profoundly helpful for me in centring my comments on this motion for Hon Peter Collier to go back through the comments that people like Mark McGowan, who is now the Premier of Western Australia, and Ben Wyatt, who is now the Treasurer of Western Australia, made about the GST at the time. They were absolutely 100 per cent spot on about where the problem lay and who was responsible for fixing it, and, ultimately, as we got to March 2017, who did not fix it? Who did not take a single constructive step towards fixing it?

I have gone through some of the press releases put out by the previous Liberal–National government’s Treasurer, now the Leader of the Opposition in the other place, and I will refer to some of those statements in a moment. However, I will note in passing that I was somewhat amused—I was not actually looking for this—with the very last press release that the former Treasurer put out before the election, which was titled “WA rings in the biggest Year of the Rooster yet”. I could not go past that open invitation to comment on roosters and feather dusters. He was, of course, also the then Minister for Citizenship and Multicultural Interests, which is what he was actually doing. It did not turn out to be the Year of the Rooster, but it resulted in a whole lot of very miserable looking

feather dusters on the other side of the chamber as we went into 2017. Thank goodness! It is exactly as I predicted. Once the electorate got their chance to have its say —

Several members interjected.

The ACTING PRESIDENT: Opposition members, I am sure you will get the opportunity to enter into this debate, so I ask that you listen to the member on her feet.

Hon Dr SALLY TALBOT: Thank you, Mr Acting President. Once the electorate in Western Australia got the chance to have its say, that lot was out so fast that their feet did not touch the ground, exactly as I and many of my colleagues had predicted.

How will history paint the last eight and a half years? It is a bit hard to say, and it will depend on how quickly we can retain some kind of genuine equilibrium. I am confident, on the basis of the trajectory that we have taken since March this year, that that equilibrium will be attained fairly quickly and that, once again, just as we did in the seven or eight years after 2001, we will get the state back in the position it should be, whereby we are not in debt, not running deficit budgets and not having to borrow to pay public servants. That, of course, goes to the heart of my question: is this where members opposite wanted to end up? The former Premier, the member for Cottesloe, said over and over and over again that he did not want to run debt and deficit budgets, but he was incapable of reining in spending sufficiently to do that. I am absolutely sure that within a few years we will have stabilised the economy so that we can go back to growing the state in the way that we were doing in the years after 2001.

One way of looking at that period between September 2008 and March 2017, that long, long eight and a half years—it seemed a very long time, only occasionally sped up by the rate at which we were changing Treasurers—is as the lost years. They were the years in which, for heaven's sake, we started having a debate about whether we were having a boom. I remember standing outside this place with a couple of thousand angry Western Australians, talking about their pay and work conditions, and the Premier was arguing that we were not having a boom. I do not think the jury is still out on that. I do not know whether anybody on the other side still wants to run the argument that we did not have a boom, because nobody believes that. The Bankwest Curtin Economics Centre is one of the most interesting and informed sources of information and debate—those who subscribe to its emails would know that it runs regular forums on key economic issues, and it has one coming up on energy—but it also has a very solid research base. The chapter headed “Conclusion and discussion” in its 2014 paper titled “Sharing the Boom: The distribution of income and wealth in WA” reads —

The resource boom in Western Australia and its impact on both the state and national economy has dominated political and economic discourse over recent years. Has WA really experienced a boom? The overwhelming evidence points to the affirmative ...

I do not know that we need to argue that anymore, although the Treasurer, in a move that looked to me awfully like arguing that black is white or vice versa, tried to stare people down by saying that the state was not experiencing a boom. We know we had a boom. I keep going back to the comment made by John Maynard Keynes, which I think is often used these days because it has become so pertinent to the economic difficulties that we in Australia, and many other parts of the world to a much greater degree, experienced in the global financial crisis. Keynes said that the boom, not the slump, is the right time for austerity at Treasury. If only the former Premier had been brave enough or—perhaps, a little bit more practically—had been properly advised about what was going on under his nose, he might have looked to Treasury for austerity, but I am not sure whether that is really an excuse for him. He is an economist. He has taught economics. He knows how to read the signs, yet he still denied that we were having a boom. If only the former Premier had followed that dictum. I am sure he is not a John Maynard Keynes supporter, but if only he had considered the possibility that boom times, rather than slump times, are when we should look to Treasury for austerity. That is another way of saying exactly what we, on this side of the chamber, have been saying for a considerable number of years—that boom times are when we should look at our economy and take the steps that we can afford to take to diversify the economy because of relatively good economic times. That goes to the heart of what we did not do.

I think *The Lost Years* would probably be the working title of my account of the long eight and a half years under the Liberal–National government. What were some of its key phrases? My contribution to this place in recent years has been the invention of the acronym FFFC, which is fully funded, fully costed. Had Hon Simon O'Brien forgotten? I saw a little frown flit across his face. FFFC was the fully funded, fully costed mantra that kept coming out of the mouths of all the key economic ministers, particularly every time they got up and said that we would have a new bus, a new train or whatever it was. It was always fully funded and fully costed, which actually meant it was not fully funded and not costed at all—but that did not make such a nice acronym. I might have *The Lost Years*, and my subtitle would be: *Not Fully Funded or Fully Costed*.

Extract from *Hansard*

[COUNCIL — Wednesday, 16 August 2017]

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Hon Sue Ellery; Hon Peter Collier; Hon Dr Sally Talbot; Acting President; Hon Simon O'Brien; Hon Diane Evers

One other phrase sticks out for me. I did a little search back through eight and a half years of *Hansard*. I think that perhaps this phrase captures the former government. It is something that the Premier said when he was opening a very worthwhile venture, the elite Western Australian Institute of Sport. We are talking about April 2015 and former Premier Barnett said —

“(Former sport and recreation minister) Terry (Waldron) came to me about four years ago and said, ‘We need to rebuild and provide a new specialist centre for WAIS’,”...

On what date did the former Minister for Sport and Recreation go to the former Premier to ask for some money to build this facility? It was four years before April 2015, which was two years before the beginning of the Liberal–National government’s second term; it was only about halfway through its first term. The Minister for Sport and Recreation asked for some money. This is what the Premier said to the minister —

‘We’re running out of money, mate—we can’t do that’.

In 2011, the member for Cottesloe, the former Premier, Colin Barnett, said to one of his ministers who was asking for funds, “We’re running out of money, mate—we can’t do that”. The former Premier goes on to say —

I now know we have run out of money but we did it, so there you go.”

This is a graphic account of six and a half years of the previous Liberal government’s financial management strategy. It is an absolute disgrace. I do not know how much time members opposite spent in their electorates between about 1 July 2016 and 11 March 2017. It was probably not all that much time if they were sensible. Unlike in 2001 when it was a bit of a shock for many of their predecessors to lose government, many members who now occupy the opposition benches expected to lose government to the extent that they made their farewells everywhere before March 2017. By that time, behind almost every door on which we knocked to talk to people about politics and the future of the state, we found people for whom the penny had finally dropped that the entire economic management strategy of the Liberals and Nationals was premised on the former Premier saying to the minister —

‘We’re running out of money, mate—we can’t do that’. I now know we have run out of money but we did it, so there you go.”

That is how it worked. It is no wonder that the Labor Premier, Labor Treasurer and other key economic ministers in the McGowan Labor government feel compelled and obliged to explain the extent of the problem to Western Australians. I think we have done that very successfully. I think the majority of Western Australians absolutely understand that we now have to stop spending. It was not just the Labor Party that told the government to stop spending during that six and a half years. If the Labor Party said it, some people would have heard us, but many others in the community would have said, “You would say that, wouldn’t you, because you just want to get back onto the government benches.” That is another aspect of the enormous damage that has been done to Western Australia over the last eight and a half years because that is how cynical people have become. Why would they not assume that we are all just after the treasury bench? The former government trashed any kind of principle or sense of responsibility to the electorate, or any sense of having to be accountable for what it was doing. The former Premier told the minister, “We’re running out of money, mate”; that was how it was done. He told him that the government was running out of money but he could have some anyway and it would be fixed up. He did not know how he would fix it because of all the problems with iron ore revenue dropping and the GST being in a bit of a mess, but he said that he could have some money anyway.

Many of my colleagues on this side of the chamber and I perceived that people finally realised that and it was a terrible shock. People had a look on their faces that told me they were quite genuinely appalled by what had happened. We live in a state with the potential for enormous prosperity—not just prosperity amongst miners or prosperity that is centred amongst people who work and earn their riches from the resources industry, but wealth in the true sense of having community spirit and taking people out of economically stressful situations and giving them the resources to be able to manage their lives so they can look after their kids and have access to decent training. From all the research and conversations we have had with people, we know that once they lose their profound sense of insecurity about the future, life turns out to be just that little bit better. That is what we should be doing in Western Australia. That is what this state is capable of delivering to its community. For eight and a half years we sat and waited for the former government to lose office because it was running the whole state on the basis that it did not have to stop spending or show any kind of foresight or restraint when it tossed money around, even though the money was not there. It was a genuine case of the government spending the money it wished it had, rather than the money it did have. It was as simple as that. People understand that they cannot run their own households like that. They have now spent eight and a half years watching a state try to operate on that principle and they have now proved conclusively, to their own satisfaction, that that does not work either.

What were the key moments of those eight and a half years? Lots of records were broken. Unfortunately, they were all appalling records; they were records that nobody should ever aspire to break. They were records that should be right down at the bottom. They should be used for training and coaching purposes to say to aspiring

politicians and economic ministers, “If ever you get near breaking this record, go in the other direction, because this is really, really bad.”

What did we do? We broke the record, I think, for the number of loan bills in two periods of government. We ended up with four. I thought it was three, which is why I had a little search through *Hansard* last night. I thought it was three and then I found the little one that snuck in last year, which was the one for \$1.78 billion. That was interesting in itself. I remember, Mr Acting President (Hon Robin Chapple), that at the time you were one of the contributors to the debate on that loan bill. On our side of the house, we all pointed out that it seemed an odd figure to come to Parliament with. Now, of course, we know that the previous government just wanted to be able to pay public servants up to the date of the election. Talk about borrowing from the payday lender to be able to tide you over! That was all that was. After having come to Parliament in 2009 with a request for \$8.3 billion; in 2012, with an additional ask of \$5 billion; and then again in 2015, when we broke the record with \$8.6 billion, the previous government snuck in at the end of last year with \$1.78 billion. That was, as I say, just to keep the state’s financial nose above water until we got to the election date.

I am very, very proud to be part of a government that has had the courage to do the books in an open and transparent way and to come back to this Parliament very early in the term—within a matter of days of this Parliament starting—and say, “This is the true situation. This is what we actually need to keep this state afloat until we have some kind of meaningful recovery.” I am very confident that that assessment has been done in a professional way and that this is part of the realignment back to a state of economic security and stability.

The previous government broke the record for the number of loan bills—four over eight and a half years. It broke the record with the loss of the AAA credit rating. That had never happened in that way before. It was completely extraordinary that we lost the AAA credit rating in September 2013, but in September 2016 we found the Treasurer actually putting out press releases about government spending. I had to go back and look at this again; it was a bit like looking to see who got which shadow ministry on the other side to work out what Hon Peter Collier thought he was doing. I thought, “How could a Treasurer put out a press release lauding the fact that they were spending a record low amount?” The headline was, “Record low spending for two years in a row”. That is not what governments normally do. This was three years after we lost the AAA credit rating. Spending was still out of control, and the Treasurer had to go out, stand on the steps of Parliament House and say, “I promise we’re trying to stop spending.” It had become a headline act in and of itself that the government was trying to stop spending. That is how uncontrolled the cabinet processes were in the previous government. Nobody could find a plug big enough to stop the water draining out of the bath. Nobody could do it. When the Treasurer had a minor success, he went out and did a press conference about it—three years after we lost the AAA credit rating. That was another record.

Along with the loss of the AAA credit rating came the negative credit watch by both Moody’s and Standard and Poor’s. What a disgraceful thing for a state like Western Australia to be on a negative credit watch. Of course, we are still there, and that is part of the challenge that the Labor Premier and Labor Treasurer have, but I am very confident, on the basis of what we have seen so far, that we will start to reverse these truly dreadful record breakers within the foreseeable future.

A couple of other records were broken. The increase in state public debt was more than 900 per cent from 2008 to 2017. I am not very numerically literate. I am quite literate in other ways, but when I see numbers they tend to float around. I am not bad at doing numbers, but I do not do numbers out of choice. When I looked at this I thought, “Oh, \$3.6 billion.” I think there might be a few people like me on the other side, because state public debt went from \$3.6 billion to \$36 billion. Somebody got the dot in the wrong place, I reckon. Maybe they looked at it and thought, “Oh, that’s all right. That hasn’t changed all that much.” That is how much state public debt increased in those eight and a half years—by more than 900 per cent, up to \$36 billion.

It is all very well for members on the other side to say, “Oh, well, we’re not there; we’re not heading north of \$40 billion”, but we are. Members opposite have only to look at their own budget documents. We are heading in that direction, and the former Premier knew it and the former Treasurer knew it. The former Premier, now the member for Cottesloe, went as far as to say that we were reading the budget papers all wrong. He said not to worry about the out years because we never get there. Maybe that is what members opposite are hanging on to when they say, “We’re not heading north of \$40 billion”. Maybe it is because Liberal genetics somehow breed out the ability to see those columns in the out years, because that is what the former Premier wanted. He said —

“You never reach the out years, they’re always years 3 and 4, you never get there ...

What an extraordinary thing for a man who teaches economics to say! He also said —

... governments I lead will have surpluses,” ...

That makes everybody on the other side go very quiet, does it not? That was the former Premier. He also said —

“In reality you don’t have to pay back the debt; what you have to do is make sure the debt is (under) control and as a guide —

Lest we were starting to feel a little relaxed and comfortable about that, he went on to say —

I’m intending keeping our total level of net debt below \$20 billion,”

It is now twice that, but that is only in the out years, and we never get to the out years; they are always —

... years 3 and 4, you never get there ...

What a load of twaddle! One does not have to be an economic genius to know that that is simply rubbish. Anybody can talk rubbish; that is their prerogative, if that is what they want to do, but to actually lead the state with that as one of the premises of economic management is bizarre, unconscionable behaviour, and members opposite will pay for it, and have paid for it.

Another record that was broken in those eight and a half lost years was switching around the fastest growing area of expenditure. If one is currently a member of the opposition in this place, what would they be proud to say had been the fastest growing area of expenditure in the previous government?

Hon Alison Xamon: Mental health? Child protection?

Hon Dr SALLY TALBOT: Mental health, yes, and disability, child protection, improving corrective services. There are any number of areas in health, preventative health particularly, and in education and training.

No, it was general government interest costs. That was the fastest growing area of expenditure—our interest repayments. When Hon Sue Ellery led off this debate she referred to the fact that the interest we are paying now in Western Australia—\$1.2 billion a year—is enough to run the Disability Services Commission. I do not believe she made this point, but I am sure she is aware of it: if we look back, we see that over the years that the Liberal–National government was in power we repaid interest payments of about \$4 billion, which is enough to run the Department of Education. That is the extent to which we have been shackled and hobbled by this. Those are astronomical amounts of money that got out of the state budget without even touching the sides. That is why it is absolutely unacceptable for us to be in this position. We should never be here again; we should never put the state in this position again. The McGowan Labor government will do all it can to pull things back and get us back onto a stable footing so that people can have a genuine sense of optimism about the future instead of this increasing sense of dread.

People in Western Australia are actually quite knowledgeable; they are quite literate about their own economy. As I have said in this place many times before, we in Western Australia know what it means to live in a resources-based economy. One can go to any part of the state, from my patch in the south west right up to Kununurra and the farthest reaches of East and West Kimberley, and one will find that people can be quite articulate about what it means to live in a resources-based economy. They understand the benefits that industrial expansion brings. Something that is very dear to my heart is the idea that life will be brought to communities as the economy is enriched. Some of that will be industrial development and some of it will be in access to resources and services. But people also understand about this boom-and-bust cycle. Our whole history is steeped in the story of boom and bust. But we have always seen governments that had the sense, even if only at the last minute, to take John Maynard Keynes’ words at face value and do what they had to do during the boom times to make sure that the busts did not hurt people.

The tragedy about what has happened with these lost eight and a half years is that we hit the bust and people got very seriously hurt. The Liberals and Nationals proceeded on the basis that they did not really need to worry about any of this and that somehow there would be a kind of economically engineered fix at the end of it. They were never able to explain what that meant or outline any kind of strategy or series of moves that would end up with financial stability being restored. The closest they ever got to it were the comments the then Premier made when the Prime Minister announced that he had this idea that a floor may be able to be put on the goods and services tax. That, of course, was just one of many aspects of fixing the GST that Mark McGowan, as the leader of the Labor government, has put to the nation. The Premier got very excited and said, “This would fix it. If we had this, we might be able to return to surpluses within about two years.” That, of course, was some considerable time ago, and it did not happen while the former Premier hung on to that spot.

It was as though the former government was completely oblivious to what everybody knows. All the anecdotal evidence and research shows that if people have a big lotto win, life eventually returns to exactly where it was before they won. That is what has happened to the state of Western Australia, except that there was so much fabric scooped out of the state during that time that when we hit, we hit with a bang. That was the moment when people got hurt.

Who got hurt? It was not people like Andrew Forrest. We know it was not people like Gina Rinehart. It was not the people who have immense wealth out of the resources industry. The people who got hurt were ordinary working people and their families, particularly women, who are now on the wrong end of the biggest gender pay gap in Australia and tend to be clustered in low-paid, casualised work. As the economy collapsed, people were forced back into the casualised workforce on lower wages. It is children, particularly children who live in fixed-income households and children of single parents or parents who are on a pension and benefits. It is people with mental illness or other kinds of disability, and the homeless. These are the people in our state, living amongst us in 2017, who today are experiencing real pain because of the financial management of the Liberal–National Party over those long eight and a half years.

There were lot and lots of low points during those eight and a half years. It was always a bit of a mystery; I think anybody who takes more than a passing interest in politics would know what I meant if I said that we had really spent the last 18 months waiting for the Liberal-National government to start campaigning. When we got to midyear last year, people were saying, “When we come back after the winter break, that’s when they will really kick the campaign up and there will be some kind of coherent narrative about where we are going and what the state can expect.” Then it got to the midyear financial review and nothing had happened, and then it got to the end of the year, and then it got to Australia Day and still nothing had happened, and then suddenly it was election day and still nothing had happened. That was when we got the result we did and they were thrown out. It sort of never happened.

When I went back over those eight and a half years perhaps looking for some of the reasons, I found that it really all goes back to Colin’s canal. I think the big sign he gave us about where we were going to end up in 2017 was Colin’s canal. Do members remember? I will never forget that moment. I know exactly where I was when, during the debate between the Premier and the Leader of the Opposition, the member for Cottesloe came up with the idea of the canal. I am sure that, like me, members have not forgotten the moment he announced it. Everybody turned to each other and said, “Did he say ‘canal’?” It was not the canal itself. Members will remember that the reason the member for Cottesloe did not win that election in 2005 was not the actual idea of the canal; it was the amazing mishandling of the finances. It was spectacular! Nobody I have talked to in politics or the media has ever seen a car crash like that funding debacle we had about 48 hours before election day. That is what lost the member for Cottesloe the election. We carried on in that vein from September 2008, when he finally won.

This is just a quick list of some of the things; this is not exhaustive by any means. With council amalgamations, one minute—it was a long minute that caused everybody a lot of pain over eight and a half years—he was going to amalgamate all the councils, starting in the bush and then moving into the country, or was it the other way around? Anyway, there was supposed to be a plan. It was all going to be about amalgamating councils and then it was not. All of a sudden we were back to no action at all. Then there was James Price Point. I was shadow Minister for Environment at the time the Liberal Premier made that extraordinary move and said that he wanted that onshore gas processing plant at James Price Point. What an extraordinary thing to do! There was a process and commercial considerations involved. Yet the Premier said that it had to be James Price Point; it could not be anywhere else and he cut short all the processes. He was always doing that, and always backed up by his colleagues saying, “Oh, that looks good. Isn’t he decisive?” He was jumping up and down and announcing things. Oakajee went nowhere. Oakajee was a massive project. It went absolutely nowhere.

Hon Alannah MacTiernan: And worse than nowhere, member. It actually meant that we lost the Pilbara interconnected grid, which Mr Barnett bid for.

Hon Dr SALLY TALBOT: That is a very important point, Hon Alannah MacTiernan. I will leave that detail for the minister to canvass when she makes her contribution to this debate after I have finished. Absolutely.

That is the point, honourable members. None of these things were without consequence. The whole misfire over council amalgamations cost local government millions of dollars to fight off. The whole thing about James Price Point was that we lost the project because of what the Premier did. These were not just misfires by an overenthusiastic Premier; these were catastrophes for the state. Oakajee, as my colleague Hon Alannah MacTiernan just said. The Ord project is an absolute shocker that I think has a long, long way to play out, and a lot of that will be told by local people who have been the casualties of that debacle in the East Kimberley. Then we had things like the shark cull. There were so many things about which the government said, “Look at all this stuff we’re doing”, but five minutes later it was all gone because it was all so ill-advised and so misplaced.

How bad is it? It is so bad that we actually now have a recession. The tragedy is that when we look back at the government’s narrative—I thought Hon Peter Collier was going to take us through that, but unfortunately he went off to cover his old portfolio areas —

Several members interjected.

Hon Dr SALLY TALBOT: I have only three minutes left, and I have some important stuff I need to do.

The sad thing about this is that during this time revenue was actually growing. Let me give members a couple more bits of data about revenue and debt. During those long eight and a half lost years between 2008–09 and 2012–13, revenue grew by 32 per cent. In the same period, taxation income was up by 47 per cent. Debt at the same time, of course, grew, and I have already canvassed the extent of that catastrophe.

All during that time the government was saying, “Oh, it’s sort of all right because something is going to happen. Somebody will come up with a fix. It will be okay”, and ignoring the fact that revenues were up by such a spectacular amount. I have said before in this place that if somebody had walked in here with a crystal ball and told government members of the day that between 2008 and 2013 revenues would go up so substantially, they would have been delirious. They would have thought that it was better than the tooth fairy. However, they squandered it all because they had no idea how to manage things. Now, of course, it has gone exactly the other way; this is the tragedy of where we are at now. Now, because we have hit the recession moment, the revenues are actually falling just at the time when the real pain is being felt by the unemployed. How many people are unemployed in Western Australia? The last official figure is 88 526, but we also have more than 140 000 people who are underemployed. These people are intensely frustrated with their work situation because they know that they can contribute so much more. Just at this time when an incoming government ought to be able to readjust priorities by channelling money into things like training, local manufacturing and building the proper industrial services that we need to take this state into the twenty-first century, we have inherited in the last 12 to 24 months falling revenues. This is the first time since 2007–08 that revenues have fallen and it is entirely because of the mismanagement of the Liberal–National government. There is the terrible story about the human cost of this mismanagement, and that is really what this is all about. The number of people in this state who are unemployed is a human tragedy that is multiplied by a factor of four or five when we look at the implications of having one of the highest unemployment rates that we have had for years. We see an increasing inequality and all the disbenefits of living in that kind of community. Things will turn around over the next few years; I am absolutely confident of that. I will be very proud to be a part of the team that will help to bring about that turnaround.

HON SIMON O’BRIEN (South Metropolitan) [2.42 pm]: One of the unquestionable aspects of the wealth of our society is that our Parliament can waste its time listening to the sort of diatribe that we have just been exposed to—a pointless exercise in the vindictive, venomous spitting of poison for no good use. The thing that appals me is that we have a number of new members—so many of them—sitting opposite on the government backbenches who have been given such a poor example. I thought it important that someone else who was there at the time when the Barnett government was installed not only give a bit of perspective to this, but also outline how we treat such issues in this place. If any members opposite are feeling a bit embarrassed at what they have just had to suffer through, if they were cringing in their places, as well they might, do not worry. Let me clarify for them some of the things that they need to know.

The first thing is that when a government gets into office after a successful election, which is what happened earlier this year, it is presumably because the people are looking to that new government as a change to get on and do some things, not to carp and moan about the past. It is important that new members in this place in a government, and I was there back in 1997, take advantage of their opportunity to do something. By being part of the government party they can achieve some real things. They can get out into their community and do things. Hopefully, they will also be able to cheer on their colleagues who are in government with their hands on the cabinet levers as they set about doing good things for Western Australia. I urge members, firstly, to not get caught up in some of this backward-looking rhetoric such as that which we have just suffered through and have been exposed to through this pointless motion, but to get on and do some things. If their own colleagues who have been around for a while are so bitter and twisted that they do not know how to advise them on how to get on and do some things, come and have a word with me, Hon Donna Faragher or Hon Peter Collier and perhaps we can give those new members some advice about how they can build real value in their community by encouraging those who are striving to succeed and need a bit of help to do it, and by aiding in their communication processes with government or whatever it takes. As members of the government party, they are in the position that they can access some of the systems of government and do something positive.

One of the other things that concerns me about the debate we are having is the example that it gives to members in this place about which side of the house is the government side and which side is the opposition side. That was some sort of opposition member’s speech we just heard given from the government benches, and one has to ask why. We have heard plenty of this, and anyone would hear plenty of this at any time —

Several members interjected.

The ACTING PRESIDENT: Members, order! If the honourable member is seeking an interjection, then you are clearly extending the debate; something you just argued clearly against. I would ask that you to continue to address the Chair.

Hon SIMON O'BRIEN: Mr Acting President, your assistance is valued because, as we all know, any interjection is highly unruly and I would not dream of inviting unruly interjection. Indeed, I was concerned when the previous speaker was speaking about the level of interjection. I thought I might make a substantive contribution myself, but you have already touched on that matter from the chair so I will not go any further into that.

Members, Hon Dr Sally Talbot, who is a dear friend of mine, comes into this place and gets her blood pressure up, as we have just seen, in a quite pointless exercise and I have to tell her, "Don't worry—pat, pat, pat—it's all right. The opposition is here and we will consider holding the government to account and deliver." I will give members a little preview of that in just a moment. However, she does not need to worry about it. She is not back in 2005 or 2011 or whatever other year she was going back to, and she does not need to be. The people themselves dealt with many of the issues she raised, whether she is right or not, back on 11 March this year. It is time to move on—and to move on to what? It is time to move on to being a government that does the right thing in government by exercising its powers properly and by providing leadership and inspiration to the people of Western Australia. We in the opposition will most certainly be holding the government to account because that is our job. However, what is the job of the government benches at this time? It is certainly to look forward and not to look back.

In contemplating the wording of this motion, I have some mixed feelings. Firstly, the mover just wants the house to condemn the former Liberal–National government for its reckless mismanagement of the state's finances as if that is a given, and it gives the opportunity for members of a mind to support that motion to simply get up and vent. If that is all government members have to contribute to the future of Western Australia given their current position, I have to tell them that they have nothing! That is about what the government's argument is worth; it is pointless and past its use-by date.

I know that I might incur the displeasure of the Acting President if I do not address some of the specific substance of the motion as well as the themes around it, and I will do so in just a minute. In response to the invitation from the mover of the motion to opposition members to get up and support the previous government, I for one will do so and, because I believe in offering a balanced view, I will provide qualified support, as any impartial observer should provide in response to the sort of question advanced in this motion. I will come to that in a second.

I was a member of the, perhaps surprised, Barnett government elected in September 2008. It is a great privilege for anyone to be a minister of the Crown and I am proud of what I did in that capacity. I can say that confidently. Did I get everything right? Of course there are things I would do slightly differently with the benefit of hindsight, but I think that my record is pretty good. I can point to a lot of infrastructure that I had to fight to get into cabinet and through other processes. Hon Peter Collier knows that, for example. I was a member of the Economic and Expenditure Reform Committee of cabinet for two years and I took a couple of budgets through this place. Looking back, I have a sense of achievement. I might remind the mover of the motion that she is a teeny-weeny bit selective in some of the material that she quoted. If members look at the budgets that I was involved with, the prime mover of those budgets, they will see that the then Treasurer, Christian Porter, was insistent that all those budgets showed a pattern of debt reduction and returning to debt reduction in the out years. Despite what the mover of the motion has asserted, he certainly was not prepared to embark on some process of "To hell with it, let's rack up all the expenditure." That is the truth; I was there. Any member opposite can go to either of those budgets and examine those papers with whatever level of care they wish to use and they will see that what I have just told members is true.

In due course, the financial position in Western Australia deteriorated. That was the case for the second Barnett government, of which I was not a part. I was a supporter of that government, but from time to time I was a constructive critic. I did that behind closed doors—I wish I had done it a bit longer, a bit harder and a bit earlier—in this place and in other public forums. I attach my credibility to the remarks I now offer the house on that basis. We had an eight-and-a-half-year term of government, presided over by Premier Barnett; it was eight and a half years, not eight years. The previous Labor Premier thought he would be tricky and call an emergency election because the Labor stocks were deteriorating fast. We were all amazed that he did that. The then Treasurer and his partner, one of our former colleagues, were holidaying in Exmouth at the time and were completely taken unawares. What discipline that Labor government exhibited on that and other occasions—the panic, the lack of regard for due process and all the other things that we have just been accused of in the course of this debate. Government members should stand in front of the mirror if they have the guts. They should stand in front of the mirror if they have the integrity to stand there. We came to be in government almost by accident. I have spoken to Labor insiders, recently and at the material time—I know a lot of Labor insiders—and they have told me that they were panicked and that it was a justifiable call by then Premier Carpenter to go so early without telling his cabinet colleagues because the situation was depreciating that badly. They had to try to save at least the furniture if they could not save the government benches. That is what they tell me. Members do not have to take my word for it because the then state president of the Australian Labor Party—unless my memory is faulty—was none other than the mover of the current motion. If I am mistaken and that is untrue, perhaps she can tell us at another stage in the debate.

That is all very well, but the fact of the matter is that oppositions will do what oppositions do and that is get up and rail against the government of the day, and governments of the day will do what governments of the day do and get up and cheer their own actions and pour scorn on criticism. Any government, whether it is the Carpenter government I just alluded to or the recent Barnett government, will exhibit some of those characteristics. Now, at length and at a distance, I can quite happily tell members—admit, if you like—that I was not happy with some of the financial decisions of the former Barnett government. I will not go into detail at this time, but anyone who has been involved in a government that took decisions, did bold things and perhaps had a Premier inclined to strike out ahead of the rest of cabinet in a bold way, such as former Premier Barnett, would know things might have been different if they had been approached in a different way.

Let us contemplate what has just been said about the finances. Back in 2008, there was an election ploy—we had a few, did we not, Hon Peter Collier? I remember one was called “Where’s Fran?” One of the slogans that we ran with very successfully was “Name three things the Gallop and Carpenter governments have done for Western Australia.” When we asked people that, they would say, “That Mandurah train.” We actually handled that issue badly back in the day. We would then ask, “That’s one; what are another couple of things?” But no-one could come up with anything. They could all point to cuts being made, to parsimony, to money being stashed away in government coffers for some sort of rainy day, but they could not point to anything else. If we point to what the Barnett government did, with the impetus of a global financial crisis and the need to prime the pump, simultaneously dealing with a massive, sustained influx of population into Western Australia —

A member interjected.

Hon SIMON O'BRIEN: — and a health and education system that was in disarray—I have an echo in here!—and needed attention, the Barnett government responded decisively to all those aspects. It rebuilt the health infrastructure not only in Perth but also around the state. It built schools and roads. It is my recollection that for the eight and a half years—Hon Peter Collier can correct me if I am wrong—at the start of the year every class in every government school had a teacher at the front of it. Compare that with the other mob’s record. We embarked on a process to build Western Australia to meet the challenges and to deal with all the pressures of population increase so that all existing Western Australian residents, together with all those who were flooding into the state, would have access to those education and health facilities that otherwise they would not have had. How the mob opposite when in opposition would have squealed if we had failed to provide that. There are always two sides to the story. I offer that in response to what has been said.

I hope to finish my contribution today rather than have to resume, but I cannot finish without addressing a very important part of this debate, and that deals with the theme I alluded to in my earlier remarks about looking forward rather than looking back. Coming into office, as it did surprisingly early, the Barnett government hit the ground running and it did good things that will stand for the benefit of the community for a very long time.

Hon Alannah MacTiernan: Oakajee, Muja Power Station.

Hon Alanna Clohesy: Ellenbrook railway.

Hon SIMON O'BRIEN: The honourable members can have their say in a minute. I look forward to hearing what they have to say because I have some questions—not inviting interjections, of course, Mr Acting President. There are some questions confronting members on the government benches, whether they be cabinet ministers or backbenchers. So far, all they have wanted to do is behave as though they are still in opposition. I say to them that they have whinged, carped and moaned as they have done for the previous eight and a half years. They have nothing constructive to offer; they have no recipe for the future. If one accepts that Western Australia faces some significant financial challenges—stripped away from the hyperbole we heard from the previous speaker and others; yes, there are financial challenges but they are not all of the previous government’s making. The question then becomes: what will members opposite do about it? In future, will we see members, whether it be Hon Dr Sally Talbot or others, putting motions on the notice paper condemning the McGowan government, or whoever the Premier might be at the time, for its mismanagement of the financial system? I will tell them that the ball is now in their court. They are like the proverbial dog that chased the car. They have caught it now, so they should show us they know what to do with it. I do not believe that they can or they will. I do not think they even understand what their job is. That has been clearly demonstrated by the tone of what we have heard from front and backbench government members so far in this debate.

The debt in this state is not \$40 billion or anything like it; neither is it like the debt—Hon Steve Thomas might know off the top of his head—in Queensland, for example, another growth state —

Hon Dr Steve Thomas: It’s about \$80 billion.

Hon SIMON O'BRIEN: I heard a figure of well over \$87 billion. I do not hear members opposite comparing our debt with that debt. The question is: what will they do about it? The debt is not \$40 billion. Will they take it there,

which they warned us against, or do they have some other recipe to do something about it? So far they have been asked the question —

Hon Alannah MacTiernan: Can we just clarify —

Hon SIMON O'BRIEN: I have limited time.

Hon Alannah MacTiernan interjected.

Hon SIMON O'BRIEN: No; I am not interested. I have already indicated that I want to conclude my remarks in the time available today. With respect, if the minister wants to come back to me another time, we will do that.

The question is: What will this government do now? What does Treasurer Wyatt have up his sleeve, if anything? We do not know because we have not seen a budget in this term. We have seen a very substantial loan bill but we do not yet have a budget. What plan will be pulled out of the hat in September to show us how \$40 billion worth of debt or such a trajectory will be avoided? What will members opposite do about it? If they do not do something to the contrary about it, they will be condemned by the standards they have demonstrated in this debate so far. That is the question: do members opposite have the will to address the things they claim need to be addressed? I doubt it. For base political scare campaign reasons, members opposite opposed the partial sale of Western Power while it was still worth something. Boy, I bet they wished they had not done that because that was one recipe for turning around the financial trajectory of this state as it deals with the GST and the commodity price problems and so on. No; they did not have the guts or the integrity to contemplate that policy in a genuine way. They wanted to use it as a scare campaign. They now have their so-called mandate; they have made their bed and they have to lie in it. Come September, we will see where government members really stand on the management of the state's finances, the mismanagement of the state's finances or, indeed, even the reckless mismanagement of the state's finances—put up or shut up. That is where we are at now. Stop fighting the battles of yesterday with pointless motions like this because that does nothing to advance us from where we are. I will give the government this undertaking. If Treasurer McGowan comes up with the rabbit out of the hat that I have just alluded to —

Hon Sue Ellery: Do you mean Treasurer Wyatt or Premier McGowan—which one?

Hon SIMON O'BRIEN: I am referring to the upcoming budget.

Hon Alannah MacTiernan: He takes your interjections, but he won't take mine.

The ACTING PRESIDENT: Members, we are starting to move into the realms of conversation again.

Hon SIMON O'BRIEN: I mean Treasurer Wyatt. As a member of this house of review, I think I will be able to consider that in a reasonably dispassionate way. I might also have some criticisms of the government because that is what I, as a member of Her Majesty's loyal opposition, am honour-bound to do, but I will be constructive about it and will not oppose for the sake of opposing. I wonder whether that behaviour is capable of being matched by those opposite. We will see.

In conclusion, in probably the only substantive part of her address, the mover asked whether anyone on this side is prepared to stand and challenge the proposition contained in her motion. I have challenged it and what is more I have done so with some examples of substance. We could go on, picking over the entrails of a government that was here for eight and a half years and say, "You got this wrong", or, "You got this right", but it is pretty pointless and that is the thing that is very disappointing about having to get up once again and respond to this sort of pointless motion that does absolutely nothing. I challenge backbenchers opposite, because they have all made their maiden speech, to get up again and tell us what they have got. We will know by their echoing silence that they have absolutely nothing. Time will tell, but certainly this motion and the spirit behind it is without merit and certainly is not worthy of any support whatsoever.

HON DIANE EVERS (South West) [3.10 pm]: I recognise that this seems like a terrible waste of our time. I feel it would be much more valuable to be discussing something of worth, but I understand this is how things work here. What is really strange is that this motion is very important to me because this is probably why I am here.

Debate interrupted, pursuant to standing orders.