

STATE FINANCES — TARGETS

76. Ms J.J. SHAW to the Treasurer:

Speaking of targets, I refer to the priority of the McGowan Labor government in repairing the state's finances.

- (1) Can the Treasurer advise the house what target the government has set itself for repairing the budget and maintaining responsible financial management?
- (2) Can the Treasurer outline to the house what has been the impact of the previous Liberal–National government's failure to meet the financial targets it set itself?

Mr B.S. WYATT replied:

- (1)–(2) I do not like to repeat myself but occasionally perhaps I will, because I know people are keen to hear from me! The Premier announced today a range of targets that the government had set itself. One of those, of course, which we took very firmly to the election, was to repair the state's finances. I heard the interjection from the member for Churchlands along the way, saying, "What's your target? What's your goal?" Our goal is to maintain a surplus of about three per cent of general government revenue. That is an important goal and, therefore, target of the government. Why is that? It is not the end in itself of course. How we go about sustaining and delivering important services to Western Australians is ensuring that we can pay for them without borrowing to fund salaries and whatnot, which is exactly the position that the former government left this government. But a point I have also made is that we are a state that is vulnerable to external shocks, and having a strong surplus position puts us in a position to protect ourselves from those.

It is important to have a goal. In the previous question I referred to the fact that former Premier Geoff Gallop had to take a high unemployment rate and drive it back down, the Liberals took it back up, and now it is our job to set targets to ensure that we create jobs in Western Australia. I want to remind Western Australians that when the former Labor government was defeated in 2008, we were looking at a projected \$1.9 billion surplus in 2008–09, net debt at \$6.8 billion and a AAA credit rating—a pretty good set of books.

Dr D.J. Honey interjected.

The SPEAKER: Member for Cottesloe!

Mr B.S. WYATT: And certainly the former Liberal government saw that and rampaged through it. As a result, what did we inherit when we came to government? A projected \$3 billion deficit in 2016–17, net debt expected to hit nearly \$41.2 billion and multiple credit rating downgrades; indeed, a disastrous set of books by any stretch of the imagination. But importantly, all the fiscal targets that had been set by the former governments were not being met. Not one of them were being met in the budget. Now we have a scenario in which we are meeting our fiscal targets because we have taken it upon ourselves to ensure that the finances are managed in a way that keeps expense growth under control and tries to strip out the excess spending that was embedded in the budget that left us with the Leader of the Opposition's structural deficit. This is why we set targets and why we publicly declare those targets. As I have said before, I am stunned that the opposition is somehow cranky, annoyed or upset that the government would go about doing these things. We have set some targets that are ambitious. The Aboriginal incarceration rate is an ambitious target, but it is an important one that any government that I want to be a part of sets as a target. Creating jobs for Western Australians is a good target. I am surprised that we have a matter of public interest today that shows the opposition is angry about the target that has been set by the government, but I look forward to participating in that MPI in a minute.

In the two years since the McGowan Labor government was elected, the economy is out of recession, we are on our way back to surplus—exactly as we committed to—and we expect to get there in 2019–20, but importantly, it is so that we can sustain and deliver services to Western Australians and create long-term higher wage jobs.