STATE FUTURE FUND — LEADER OF THE OPPOSITION'S COMMENTS

257. Mr J.M. FRANCIS to the Treasurer:

The Leader of the Opposition today made some comments about the future fund and its relationship with debt, and he also suggested that the government should spend that money on infrastructure. Could the Treasurer please inform the house how state debt would be impacted if the seed capital of the future fund was spent on alternative projects?

Mr C.C. PORTER replied:

I thank the member. I listened intently to the Leader of the Opposition's address-in-reply to the budget, and of course in that address-in-reply he nominated his position on the future fund, which will obviously become a central point of debate in the second half of this year and indeed leading into the 2013 election. The opposition leader's position is that he supports the future fund in principle, but just not now. Therefore, he is supporting a possible future future fund! And what decisiveness, Leader of the Opposition! I bet opposition members are all glad they chose him after seeing such rabid leadership from the front. Two reasons that have been nominated for why only a possible future fund might be supported are firstly, a concern about debt, and secondly, the proposition that the Labor opposition wants that $1.1 billion in seed capital spent on other things now. I think it is a very important point. This is the thing about debt: if someone is concerned about debt, which the Leader of the Opposition most clearly is, if instead of leaving $1.1 billion in an account in 2015–16, that $1.1 billion is spent in 2015–16, what happens? Debt is increased by $1.1 billion. The Leader of the Opposition just does not get it. The future fund sits as an asset unspent against debt. The way it operates, in a debt sense, is like a cash offset account. The proposition that the Labor opposition is concerned about debt, but that we should spend the money now, means that if $1.1 billion is spent now rather than being saved, it would truly be the worst debt reduction strategy ever. It would increase net debt by $1.1 billion straightaway. The Labor Party is the only political party in history that thinks that debt is decreased by spending $1.1 billion and not saving it. It is just absolutely bizarre. If someone had a mortgage and $100 000 in a cash offset account, the Leader of the Opposition would advise him to decrease his debt by spending all $100 000 of his cash offset today. It is absolutely bizarre.

The second concern we heard is that we should spend the money now and increase net debt by $1.1 billion, because we are not spending enough money on infrastructure. Particularly nominated were things like roads, police stations, hospitals and schools. Immediately after the Leader of the Opposition's speech we had the shadow Treasurer who at some length bemoaned the fact that 30 per cent of the debt—the borrowings—is being carried in the general government sector. It is funny. Main Roads is general government, WA Police is general government, Health is general government and Education is general government. Here is how it works: if we want to build more roads, police stations, hospitals and schools, we have to borrow the money and it sits in the general government sector.

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park!

Mr C.C. PORTER: It is quite basic stuff.

Mr B.S. Wyatt interjected.

The SPEAKER: Member for Victoria Park, I formally call you to order for the third time today. While I am on my feet I will add to the list. Member for Warnbro, I formally call you to order for the third time today. Member for Albany, I formally call you to order for the second time today. Leader of the Opposition, I formally call you to order for the first time today.

Mr C.C. PORTER: Who is in the brains trust opposite that says, "Let's shift the debate about infrastructure. Let's say the government is not spending enough money on infrastructure, but let's also say that there is too much debt"? To build infrastructure, guess what? Money has to be borrowed. The criticism of this government is that it is not spending enough money on infrastructure. On the pie graph I am holding, can members opposite see the tiny little circle?

Several members interjected.

Mr C.C. PORTER: Can members see it? That tiny little circle was the average spend on infrastructure under the previous Labor government. The great big circle —

Several members interjected.

Mr C.C. PORTER: Can members see the little circle? It is on that side. The big circle represents what this government will be doing in infrastructure next year. The Leader of the Opposition says, "Get debt down by

taking $1.1 billion worth of savings and spending it." Then he says we are not spending enough money on infrastructure and that we need to spend more on hospitals, education, roads and housing. Since we have come to government, the capital spend for health has increased by 226 per cent; the capital spend for education has increased by 84 per cent; transport and roads 24 per cent; and housing, specifically mentioned today by the Leader of the Opposition, 58 per cent. So go back and have a chat to the brains trust, work out what a sensible position is and then we will discuss it.

Point of Order

Mr R.F. JOHNSON: Mr Speaker, I draw your attention to the member for Cockburn and the member for Collie–Preston who are reading a newspaper in the chamber.

The SPEAKER: Leader of the House, I had made that observation myself. I was under the impression that perhaps the members were looking at some information as opposed to simply reading.

Several members interjected.

The SPEAKER: Members! I do not know whether the paper is *The West Australian*; I do not know what the paper is. But it is a good message to all members in this place, particularly in question time, that the document should be relevant to a question related to it.