

Extract from Hansard

[ASSEMBLY — Thursday, 29 November 2018]

p8986e-8997a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mr Vincent Catania; Mr Kevin Michel; Mrs Liza Harvey; Mr Ben Wyatt; Mr Dave Kelly; Ms Rita Saffioti

McGOWAN GOVERNMENT — STATE ECONOMY

Matter of Public Interest

THE SPEAKER (Mr P.B. Watson) informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

DR M.D. NAHAN (Riverton — Leader of the Opposition) [2.54 pm]: I wish to move the following as a matter of public interest today —

That this house condemns the McGowan government for leaving Western Australian households worse off in the lead-up to Christmas than they were a year ago.

The SPEAKER: As this is a motion without notice to suspend standing orders, it will need an absolute majority in order to succeed.

Several members interjected.

The SPEAKER: Sorry, wrong page. I was going to wear my Christmas hat today!

The matter appears to be in order and if at least five members stand in support of the matter being discussed, and there are, the matter can proceed. Leader of the Opposition, I apologise.

Dr M.D. NAHAN: There is no doubt, that, yes, people working for a large mining company, Rio Tinto, BHP, particularly in senior management in one of those firms, or for Mineral Resources, which the government has found \$250 million to help out, would be feeling pretty happy. Commodity prices and whatnot have picked up, although not due to what the government has done, except in the case of Mineral Resources. However, there is no doubt that ordinary working Western Australians not directly attached to the mining sector are worse off this year than they were last year to a large extent because of what Scrooge, the Premier, and Ebenezer, his partner the Treasurer, have done to this state.

Several members interjected.

The SPEAKER: Members!

Dr M.D. NAHAN: It is Christmas. If a person is wealthy, they are all right. The government has done well by the wealthy. But those living in Baldivis, Bedforddale, Byford or Ellenbrook are struggling like never before. House prices have declined for the longest period since the war. People trying to get into a house cannot afford it.

Mr D.J. Kelly: You just said house prices have gone down.

Dr M.D. NAHAN: You just keep quiet.

The SPEAKER: Minister for Water!

Dr M.D. NAHAN: People trying to buy a new house are finding it impossible.

Several members interjected.

The SPEAKER: Members!

Dr M.D. NAHAN: In September, the first home buyers grant take-up was the lowest on record.

Mr D.R. Michael interjected.

The SPEAKER: Member for Balcatta, I call you to order for the first time.

Dr M.D. NAHAN: Levels of mortgage stress are the highest in the country, but, of course, the Treasurer says that everything is great due to his responsibility; he has turned around the economy and people are feeling it. They are not spending any money. Retail activity in this state is flat to negative; wages are flat to negative; discretionary income is flat to negative; spending on hospitality is negative

Mr D.A. Templeman: Your body language—negative.

The SPEAKER: Leader of the House, I call you to order for the first time.

Dr M.D. NAHAN: Your comment—negative!

Yes, there are segments of our great state that are doing well—the mining sector—but the vast bulk of the community is struggling. Nothing the government has done will help them. Indeed, one of the main reasons they are struggling is due to what the government has done. In its first two budgets it has massively increased fees and charges knowing full well that households could not afford it; knowing full well that households were struggling; knowing full well that they could barely cover their costs of living. They cannot afford their mortgages, but the

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Treasurer not only increased electricity prices in his first term by 11.9 per cent but put it all on a fixed charge and bragged about it. That meant that people on pensions experienced a 40 per cent increase in their electricity prices in one year, and he is proud of it.

If we are going to look at cost of living, we need to look at the consumer price index. Western Australia's consumer price index is growing at about 1.1 per cent. There are two aspects of it that are the only factors pushing up costs, and the Treasurer is responsible for both of them: electricity and water prices. Electricity prices have gone up by seven per cent and water has gone up by five per cent. The Treasurer has directed an assault on the community and on the low-income people of this state, and he claims to be a Labor member and he is proud of it: "I went out and socked it to the households. I gutted them. I took away their discretionary income and I'm proud of it, as a Labor Treasurer."

That has ramifications. It is going to be a bad Christmas for most, and the Treasurer is going to be responsible. Of course, that champion of vibrancy and the deregulation of shopping hours, our Premier, has succumbed to the Minister for Commerce and Industrial Relations, who is toeing the line of his old union mates by restricting shopping hours. He has not only taken their money, but also stopped them from being able to shop. The real issue is that the bulk of the economy is household expenditure.

Several members interjected.

The SPEAKER: Order, members! Member for Armadale!

Dr M.D. NAHAN: Household expenditure is flat, and the Treasurer is directly responsible for that.

The government likes to go around bragging about all the mineral investment, but we saw its contribution to resources development in this state this week. What did it do? It banned hydraulic fracturing in 98 per cent of the state. That is its contribution. What else did it do? It banned uranium mining. That is a really good contribution. It increased the tax on port fees. It sees the mining sector as something to constrain, restrain and tax. However, the mining sector is overcoming the government; it is growing, despite the government's activity, but for the government to take credit for growth in the mining sector is absurd. Most importantly, what counts is that when people go to the shops to buy Christmas presents for their kids and families, they will not be bragging about the Treasurer; they will rue the fact that he leads the finances of this state.

MR D.C. NALDER (Bateman) [3.01 pm]: Today I want to further add to the points made by the Leader of the Opposition. I say up-front that, yes, the mining sector is doing well; we know about that, but today's topic is the forgotten people of Western Australia, and there is a large number of them. I am going to focus on three areas —

Several members interjected.

The SPEAKER: Order, members on my right! Minister for Tourism!

Mr D.C. NALDER: I am going to focus on three areas: households in Western Australia and the impact of household charge increases; housing values; and the retail housing and tourism sectors of Western Australia.

Mr D.J. Kelly interjected.

The SPEAKER: Minister for Water, I call you to order for the first time.

Mr D.C. NALDER: Those are the three themes I am going to focus on, and I will start with household charges. We have seen an increase of around 19 per cent in household charges in the energy sector in Western Australia. This is in an environment in which people's average wage growth is around one per cent, so that immediately impacts on their discretionary income to spend in retail and other sectors. These people are hurting. Off the back of that, we are also seeing an increase in the cost of water of \$400 above the cost of recovery. If members talk to the Western Australian Council of Social Service, it will reinforce the reality that these charges seem to be disproportionately impacting upon those least able to afford them. These are the forgotten people in Western Australia—the least able to afford these increases.

Let us have a closer look at this, because we know—the Treasurer was formally briefed on this—that single pensioner households had their power prices increased by 30 per cent and that 20 000 small businesses had their electricity charges increased by more than 40 per cent. This is what the government is doing with household charges, and we wonder why the retail sector is hurting out there. It is in direct proportion to the government's increases in household charges.

Mrs A.K. Hayden interjected.

The SPEAKER: Member for Darling Range, your own member is on his feet.

Mr D.C. NALDER: Let me move on quickly to look at housing values. Western Australia has experienced the largest decline in house prices of any state in Australia since World War II. In addition, we now have 134 000 households in Western Australia suffering mortgage stress. That is a 13 per cent increase in the last 12 months. I wonder why,

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when we look at those household charge increases. Interestingly, a report recently put out by Domain showed that 16.5 per cent of Western Australian mortgage holders have zero to negative equity—that is one in every six households in Western Australia. That is nearly double the Australian average. Negative equity has gone up 18.3 per cent over the last 12 months. These are massive impacts.

Is it possible that the government's policies are going to impact on this in a negative manner? We have talked before about the government's removal of the first home owner grant. I have a philosophical position on first home owner grants, but to remove them when the government did had an adverse impact on the housing sector. At the same time, we are in a depressed housing market and the government is introducing a foreign surcharge. We are not against the principle of the surcharge; it is the timing of it that is causing the problem, and we have said that over and again. In the last week the state government has said that if Bill Shorten gets in and wins the next federal election, it will support his removal of negative gearing. In Western Australia's current environment, that will have an adverse impact on the housing sector. The government is forgetting the people who have bought their dream home and are mortgaged up, and now one in six of them owe more to the banks than the value of their property.

These policies could not come at a worse time. I will more closely examine the impacts that this government's policies are having on different sectors. I am going to focus on the tourism sector for a second. If members talk to the industry about this tourism minister, they will hear that he is more interested in having his photo taken with people in the industry than he is about the outcome of the meeting. That is what gets talked about.

Several members interjected.

The SPEAKER: Members!

Mr D.C. NALDER: Let us look at the tourism sector. The government brought in a populist policy around Perth's rating as a city for regional migration. The impact is that since the Labor Party came into government, international student numbers are down by 5 000.

Mr P. Papalia: That's not true.

Mr D.C. NALDER: The minister should speak to UWA about it. We are down 5 000 international students. For every four international students one job is created, and for every international student there are five tourists. Therefore, a decrease of 5 000 international students means 25 000 fewer international visitors. Interestingly, international student visitors stay five times longer than an average visitor, on average, so if we are saying that 25 000 international tourists have been adversely impacted by this decline in international students, it means the equivalent of 125 000 standard tourists. That has happened at the hands of this government. Does it acknowledge that? No, it does not. That also has an impact on the retail sector. We have talked about household charges. The government's impact on 5 000 international students and the impact on the housing sector all brings down the economy. We look at the housing sector and say what an interesting scenario that is. I am sure the Premier was proud to talk about that article in *The West Australian* today; he seemed to be very proud. It highlighted that new builds in Western Australia are the lowest since records began 30 years ago.

These are the areas that this government is ignoring. It is blowing its own trumpet on its ability to deliver things for the economy through the mining sector, but we know that global prices have a lot more to do with that than do the government's policies. Here it is, blowing its own trumpet, but a raft of people have been totally forgotten by the government, and this government should be totally ashamed.

MR V.A. CATANIA (North West Central) [3.09 pm]: On behalf of the Nationals WA, I support this motion. This is the most mean-spirited government that Western Australia has ever had, with the meanest Premier—"mean Mark McGowan"—given the way he is treating the people of Western Australia. I think I said at the start of the year that a three per cent swing would mean that eight seats would disappear from the government. After the education fiasco, I thought that a five per cent swing would mean that 10 seats would disappear, but then we had the campaign for the Darling Range by-election and a 9.3 per cent swing! I would be worried if I was the member for Kalgoorlie.

Point of Order

Mr K.J.J. MICHEL: I have been called the member for Kalgoorlie, which I am not.

Several members interjected.

The SPEAKER: Excuse me, members! I am ruling on a point of order. The member will call other members by their correct name.

Debate Resumed

Mr V.A. CATANIA: On 13 December 2017, the government said it had to cut regional education by \$64 million because of the financial position that the former government left us in. In the same week, this mean-spirited

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government sent out a media statement saying, “Here it is! A new inner-city school for \$65 million.” I cannot see anything in the media statement about having to make budget cuts because of the previous government. Although \$65 million was put towards a new school and then \$120 million was put towards a new marina somewhere up in Ocean Reef when, in the same week \$64 million was cut out of regional education. The Schools of the Air would not lie down and said that these cuts were mean because we had a mean Premier. It campaigned and nearly 30 000 people signed an online petition, the majority of whom were from Perth. They said, “No, that is a sacred cow. It is like getting rid of the RFDS.” We all know what the government actually thinks about the Royal Flying Doctor Service. I think the former Minister for Health said it was an interest group. Here we go! The theme is developing. The government then got rid of Moora Residential College. The boarding away from home allowance was also cut. Camp schools still have a big question mark over them as well as the agricultural education provision trust fund, and the cost of swimming lessons has doubled. One of the meanest things a government can do is to charge families more to send their kids to swimming lessons when our coastline is thousands of kilometres long and getting in the water is a way of life for Western Australians and Australians. However, this government is slugging families more. Cuts have also been made to the community resource centres. The Premier said, “Grab a mobile phone because that will do; it serves the same function as a community resource centre.” People from the community resource centres around regional Western Australia have said, “Hang on a sec, Premier. I think you got this one wrong.” He then labelled those people the hacks of the National Party, for which he had to apologise.

Mr P. Papalia interjected.

Mr V.A. CATANIA: The Minister for Tourism has piped up and said, “We’re going to solve the airfare crisis in regional WA. We’ll do a secret deal with Qantas. We might pay for some marketing while Qantas tries to reduce some airfares for a period of time.” As I have said in this place before, if I want to fly to Broome next week, it will still cost me \$750 for a one-way ticket. Member for Pilbara, it will still cost \$1 000 for a one-way trip to Karratha and it will cost \$1 000 to get to Port Hedland. Airfares around regional Western Australia have not gone down.

Mr K.J.J. Michel interjected.

The SPEAKER: Member for Pilbara! I call you to order for the first time.

Mr V.A. CATANIA: This government said that we would have an inquiry and that it would reduce airfares, but what has happened? Regional Western Australian airfares have gone up and are the highest they have ever been since I have been in this place.

Mr P. Papalia interjected.

The SPEAKER: Minister for Tourism! You had your chance.

Mr V.A. CATANIA: But here we are hearing it now: this government blames the former government for everything. I do not know what it is called when someone blames everyone else.

Mr P. Papalia interjected.

The SPEAKER: Minister for Tourism, I call you for the second time. You will have a chance to answer.

Mr V.A. CATANIA: What is it called when a person blames everyone else? I cannot remember what that type of person is called. The Premier blames the former government for everything that has gone wrong, but then he takes credit for all the good things that are happening, as the member just said, such as resource companies like Rio Tinto building all these mines. What part does the government play in the resources sector? It plays no part! The Premier was in Monkey Mia the other day touting the \$20 million investment by RAC into something that was started under the previous government and which he had nothing to do with. But there he was taking credit for what private industry—not the government—has done. It is easy to fix a budget when the government does not spend money and makes cuts that affect regional Western Australia. When it taxes Western Australians—another thing that it said it would not do—it is easy to try to repair the budget. It is easy to tax and cut spending—any dope can do that. The Minister for Fisheries could do it; anyone could do it!

The SPEAKER: Be very careful, member.

Mr V.A. CATANIA: We are seeing a party that says one thing in opposition and does another thing in government. It said it would not sell the TAB but then it sold the TAB and it said it would not introduce the gold tax but then it introduced a gold tax.

Mr D.J. Kelly interjected.

The SPEAKER: Minister for Water!

Mr V.A. CATANIA: The government said there would be no new taxes for households but we have seen an increase of over \$700 a household. It said that regional education mattered, but now we know what it actually

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thinks about it. This government is mean-spirited and this Premier is a mean individual. Let us bring on a by-election and see if there is a 9.3 per cent swing. I reckon it will be more next time around.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [3.15 pm]: I rise to speak in support of this matter of public interest today on the last day of Parliament for 2018. I will wrap up what some of my colleagues have already highlighted. We are seeing some particularly difficult conditions in Western Australia at the moment for people in retail. Many people who have been in retail for a long time are telling me that this is the worst retail environment —

Mr D.J. Kelly interjected.

The SPEAKER: Minister for Water, I call you to order for the second time.

Mrs L.M. HARVEY: Members, I might actually know a little bit about this area. My background is in retail. I can tell members that all my colleagues in Western Australia who have been in retail for a long time are saying that these are the worst conditions they have ever experienced.

Mr P. Papalia interjected.

The SPEAKER: Minister for Tourism!

Mrs L.M. HARVEY: A few factors are playing into the issues in the retail environment. The catastrophic fall in our tourism figures has had a very big impact on the retail sector. The international tourism figures for the year ending June 2018 show that New South Wales and Victoria have experienced an increase in international visitors by six and 12 per cent respectively. Some of those states have seen a whopping 21 per cent increase in visitor spend. Tasmania has had a 21 per cent increase in the number of tourists and a 21 per cent increase in visitor spend. Western Australia has had a two per cent decline in visitor numbers and a whopping 10 per cent decline in visitor spend. These are significant figures. I turn to international visitation figures. The member for Bateman outlined the importance of international students and family visitation to those students to the tourism sector.

Mr P. Papalia interjected.

Mrs L.M. HARVEY: I know that this junior minister does not like hearing these figures because the fact remains that his government's decisions have caused this decline.

Mr P. Papalia interjected

The SPEAKER: Minister for Tourism, I will not warn you again.

Mrs L.M. HARVEY: The number of international visitors started falling off a cliff almost as soon as this government was elected. Why did that happen? It happened because this government sent a really strong message to people overseas that they are not welcome here. It took Western Australia out of the regional sponsored migration scheme. That is the number one incentive for international students to come to a destination; they get extra points and it makes Western Australia a desirable destination. That is why international students are going to every state other than this one. Members opposite should speak to the skilled migration agents, who will tell them that this government needs to reverse that decision if it wants to see a turnaround in the international student figures and the subsequent visitation.

This government took a range of occupations off the state priority occupation list. If a person is considering coming to Western Australia on a sponsored visa of some sort and if they want to go to a regional area, for example, and work in a specific area where there might be a shortage, they cannot do that in Western Australia because those occupations have been taken off the SPOL. That will have a significant impact on foreigners deciding to come to Western Australia and it will have an impact on the amount of money that will be spent in Western Australia. We know that those drops in tourism figures equate to a whopping revenue loss of \$248 million that is not flowing through our hospitality, tourism and retail sectors. Those are the facts. I know the minister does not like it, but it can be rectified very simply: stop saying to international visitors that they are not welcome here. If people come here to buy property, stop charging them seven per cent more than Western Australians. If people come here as students, stop saying they cannot get a job.

Mr P. Papalia interjected.

The SPEAKER: Minister, you are on two.

Mrs L.M. HARVEY: They cannot work. The government will take their money when they come to WA to study at TAFE or university, but if those people want to get some experience to wrap around and lock in that degree or diploma that they have just achieved, they cannot do it here. Why would they come? They are not coming, and our economy is the poorer as a result.

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Look at the impact those disastrous moves in tourism are having on the retail sector at the worst time. Then there is the financial stress that households are in because value in the housing market is declining.

Mr P. Papalia interjected.

The SPEAKER: Minister for Tourism, I call you to order for the third time.

Mrs L.M. HARVEY: On top of the worry that people have because of the negative equity in their homes, this government has over two years jacked up annual household fees and charges by \$700 per household. For the first time that I can remember, I am hearing ordinary middle-class people in my electorate say, “I have got my first four-figure electricity bill. I don’t think I’m going to be buying Christmas presents this year.” That is what my constituents are telling me. Because of the policies of this government, prices for water and electricity are up. We are coming into summer when consumption of those two essential services increase, and parents cannot cope with it. The member for North West Central mentioned VacSwim price increases. One of the most important things Western Australian children need to do is learn how to swim. This government, virtually on the same date last year, announced that VacSwim charges would go up from \$13.50 per child to \$30! Parents now have to pay more than double for their children to do VacSwim and they have to pay to go into the pool to see them learn how to swim. Many families just cannot afford to do that this summer because they have to pay their power bills and have to try to make sure that the banks do not foreclose on them because they have negative equity in their homes. That is the environment we are in.

Mr D.J. Kelly interjected.

The SPEAKER: Minister for Water, I call you to order for the third time.

Mrs L.M. HARVEY: The tourism figures for intrastate and interstate visitors would flatline if it were not for visitation to Optus Stadium—the stadium that this mob opposed. They said it was in the wrong place, a bad decision and a terrible thing; they took the name of “Perth” off it as well. If we pull visitation to the stadium out of the tourism figures, intrastate and interstate tourism is also flatlining. It was only through the investment of the former Liberal–National government, which the Labor Party in opposition opposed, that we have seen any increase to tourism at all.

The government needs to explain what it is going to do to resurrect retail and tourism figures in this state. The removal of the additional 30 hours of retail trading for consumers and workers in the retail sector will take away the opportunity, first of all, for young people to get a casual job over summer, because retailers cannot afford to pay them—they are paying increased electricity and water bills as well—and for many retail workers to get overtime, because the only time that occurs is in December. If members speak to most people in discretionary-spend retail, they will tell members that they earn 30 per cent of their year’s earnings in December. By taking away the opportunity for people to shop during these hours, we are taking away the requirement of people to be in those shops serving customers—that is \$350 out of the pockets of those retail workers immediately. Add to that increased fees and charges and there will be a reduced consumer spend this December. The government has an opportunity to reverse those decisions now to try to stimulate the economy. It needs to reverse its disastrous decision about the regional sponsored migration scheme, open up some additional retail trading hours and try to bring back some confidence for consumers. All the Premier is doing to correct these problems is saying that he is busy out there making announcements. He is out there announcing mining sector expansion and private sector development—all those sorts of things—but he is saying nothing about what the government is going to do and what the government has planned to do to try to wrest back this catastrophic economic situation.

MR B.S. WYATT (Victoria Park — Treasurer) [3.25 pm]: I rise to make some comments on the matter of public interest, noting that this MPI is effectively a point-in-time comparison of Western Australian households in the lead-up to Christmas with their situation a year ago. I am happy to play that game because on any measure Western Australians are better off today than they were a year ago, and on every single measure Western Australians are better off today than they were two years ago. I am going to go through what the Leader of the Opposition left the state after his time in government. It was unattractive. I suspect that is why he is leaving the chamber, because he knows what is coming from me. Interestingly, I did like it when the shadow Treasurer made the point, “Despite my philosophical position on FHO—that is, I oppose it—you should do it more.” That is what the shadow Treasurer said about the first home owner grant—“Despite the fact I philosophically oppose the first home buyers grant, you should do it and you should do it more.” At the same time and in the same clumsy, dunderheaded speech, in which I am critiqued for negative equity, he is complaining about negative equity. In the same breath—there is not even a full stop—the member for Bateman and the Leader of the Opposition say, “And you should spend to stimulate,” despite the fact, as I have said in this place time and again, that we have a large housing oversupply. That is what the Premier was quoting from today, in the story that the member for Bateman referred to today in his question. I want to quote the Housing Industry Forecasting Group chairman Steven Rowley, who said —

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“There is plenty of indication the economy is getting better but it’s not getting through yet into the housing market.

By way of an aside, he is right. He continues —

“Population growth is expected to pick up (and) population growth is closely linked to housing market movements but there is an awful lot of stock out there.

That is what BIS Oxford Economics, ANZ and Bankwest have said. Every organisation in the housing space makes the point that we have a lot of stock, unsurprisingly. When we go through a period of investment, as we have had in housing, the stock is going to take a while to flow through after the recession that the Liberals left us. Let us not forget that.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, you are on three calls.

Mr B.S. WYATT: When I became Treasurer at the end of 2016–17, we had the only recession on record for Western Australia—it was left to us by the former Liberal government. Unsurprisingly, it is going to take a while for that stock to be absorbed. But then what happens? The market does what the market does. Stock gets absorbed, vacancy rates reduce—they are reducing for rentals—prices increase and negative equity will be resolved. What will not help that negative equity is if the government does exactly what the opposition is saying and starts pump priming the construction of new housing. That is the conundrum that the Leader of the Opposition makes when he makes his case in this place: it is confusing, contradictory and plainly embarrassing.

The other thing that the Leader of the Opposition said—I like it—in his MPI today is about ordinary working Western Australians. I want to focus on the key word there—“working” Western Australians. In the last two years of the former government, jobs were being stripped out of the WA economy at the rate of 17 000 a year. Western Australians were losing jobs at record rates under the former government. Since we came to government, job numbers have been growing very well—48 000 Western Australians have found work. In the last 12 months, because that is the MPI, as clumsy as it is, 26 000 more Western Australians were employed. I dare say that, as a result, they are feeling better in the lead-up to Christmas. The median rate at which job searchers are seeking work is down, peaking at nearly 30 weeks under the Leader of the Opposition, down to 22 weeks. The growth rate in job vacancies is up to 15 per cent from one per cent in the last 12 months. The unemployment rate is down from six per cent to 5.7 per cent at the same time as the participation rate increased in the last 12 months. Annual growth in employment is up: a year ago it was growing at the rate of 0.5 per cent; it is now growing at two per cent. Year on year growth in full-time employment was growing at three per cent 12 months ago and it is now growing at 4.6 per cent. All those people are feeling a lot better in the lead-up to Christmas. Do members know why? It is because they have a job. Those who do not have a job are spending less time looking for a job, so I suspect they are feeling good.

The Leader of the Opposition just says random stuff that pops into his head, usually contradicting a speech he gave publicly, say, three days previously. He said that hospitality spending is flat. I want to make a comparison in time again because that is what the MPI is doing. I have some retail data. There is no question that retail data is soft. I have said that a thousand times in this place. I think we all accept that but, again, it is a point of comparison. For cafes, restaurants and take-away food services, in September 2018 compared to September 2016, figures were up just 1.3 per cent. Spending is 5.1 per cent higher. For supermarkets and grocery stores, spending is 3.9 per cent higher; and for food retailers, spending is 3.5 per cent higher. Yes, it is soft but it is way better than the wreckage the former government left when it was voted out of office with such authority.

Again, I turn to housing. Last week, I think it was during private members’ business, the Leader of the Opposition said that the housing sector is on “the bones of its bum” and “the worst since the Great Depression”, yet a few days before that, in a presentation to the UDIA, he said that house prices have not done anything but bump along downward for 10 years and that we have reasonable house prices. This is the problem that the Leader of the Opposition has. He says anything to anyone wherever he happens to be. The reality is that in modern politics, with modern technology, he gets found out. That is what has happened.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, you are on three. Talk through the Chair.

Mr B.S. WYATT: I am staring straight at you, Mr Speaker!

The SPEAKER: You are frightening me.

Mr B.S. WYATT: The Leader of the Opposition said that we have reasonable house prices. He comes in here and tries to make completely the opposite case.

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Speaker; Dr Mike Nahan; Mr Dean Nalder; Mr Vincent Catania; Mr Kevin Michel; Mrs Liza Harvey; Mr Ben Wyatt; Mr Dave Kelly; Ms Rita Saffioti

I turn to other sectors of the economy. In the last 12 months of the former government, we saw a decline in manufacturing of 3.7 per cent. In the last 12 months, it has grown 3.4 per cent. Accommodation, food and retail declined five per cent during the former government's last 12 months in office. During the last 12 months while we have been in office, it has increased three per cent. Finance and insurance grew in the former government's final 12 months by 2.5 per cent; it is now ticking along at 5.5 per cent. Professional, scientific and technical shrunk by 7.3 per cent during the former government's last 12 months. It has grown during our last 12 months by 3.2 per cent. Arts and recreation shrunk by one per cent during the former government's last 12 months; it is now growing at a rate of 2.4 per cent. Interestingly, construction, the subject of one of the questions asked during question time, is growing at 2.4 per cent. Yes, that rate is slow, but in the last two months of the former government, it shrank by 24 per cent.

I dare say, and I can only speculate, that all those Western Australians out there involved in manufacturing, accommodation, food, financial, insurance, professional, scientific, technical, arts, recreation and construction are feeling better this Christmas than they did last Christmas and certainly much better than they felt in the final Christmas of the former government. I want to reflect on the lead-up to Christmas during the last term of the former government. I want to remind the house of exactly what was said of the former government as it worked its way into Christmas in 2015 and 2016. The front page of *The Australian* on 23 December 2015 states —

Treasurer Mike Nahan revealed on Monday that WA was facing an unprecedented debt and deficit crisis.

On that same day we saw a newspaper article headed “Chevron slashes 1200 jobs from Gorgon project”. That was at the time when our Premier was saying that jobs are being created by the mining sector. The pearler for me was an article that appeared on 22 December 2015, going into Christmas, headed “Boom times haunt Budget” by Shane Wright in *The West Australian*, which stated —

The ghosts of WA budgets past are on full display in Mike Nahan's pre-Christmas fiscal horror story.

That is what we inherited—a fiscal horror story. That is why Western Australians are now in a way better position than they could ever have hoped to be during the entire tenure of the Leader of the Opposition when he was Treasurer of this state. They are in a much better position.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition.

Mr B.S. WYATT: They are getting more jobs and they are finding work more quickly. We now have a scenario—I want to make this point because, again, it is a point of comparison—in which over the past 12 months real wages have grown at more than twice the rate they grew during the former government's last 12 months. Not only are people finding work, but also the real wage growth is twice as high as it was when the Leader of the Opposition finished his time in government. That is not too bad considering the economic and fiscal wreckage I inherited 20 months ago. We are turning the economy and finances around. The Chamber of Commerce and Industry of Western Australia, the National Australia Bank or whoever it happens to be make the point that under this government, things are getting way better. Confidence is way better.

Mr Speaker, do not take my word for it, because my job is often to reflect poorly on the former government. It became so difficult to resolve the GST issue because Treasurers around the country, particularly Liberal Treasurers, were generally of the view that the former Liberal–National government squandered the boom. It had no interest in trying to be productive around the conversation of GST reform. I want to quote Dominic Perrottet, the New South Wales Treasurer. In an article that appeared on the front page of *The Sunday Times* a few weeks ago, he reflected on the former WA government. When he was still objecting to GST reform, he was reported as having said —

“I don't believe it's our role and responsibility to support inefficient states, like Queensland, who do not take on the reforms that we have done in NSW and also states like WA who don't plan for the future.

“When times were good, at the height of the mining boom, WA racked up spending on their credit card and now expect the taxpayers of NSW to pay the bill.”

That is what made it so difficult. When I became Treasurer and I presented myself at that first Treasurer's meeting, every single Treasurer, in particular those Liberal ones who generally perform in an historic performance of “liberal”, unlike the ones over here, were not willing to listen to WA's case because their view was that we ruined the finances. We had spent all the money plus some. That is what made it so difficult. We always accept, and I have said it time and again, that the impact of the former government—I sat on the opposition side of the house for years saying this—was going to be felt for many governments to come because we do not just recover from record debt and deficits overnight. We inherited \$40 billion in debt and a \$2.5 billion deficit. That is why we had to make difficult decisions as well, which is why we have —

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Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, that is your last warning. You are on three.

Mr B.S. WYATT: At the same time as we are delivering our election commitments, we had decades of low expense growth. We had to do that because we could not be the irresponsible performers of the former government. That wreckage will probably echo through the balance sheet of the state government for three terms of government and we are now dealing with it.

I come back to the clumsily worded matter of public interest, which states —

... for leaving Western Australian households worse off in the lead-up to Christmas than they were a year ago.

As I have articulated today, in the past 12 months 26 000 more Western Australians are in jobs.

Mr D.C. Nalder interjected.

The SPEAKER: Order, member for Bateman!

Mr B.S. WYATT: Honestly! Dunderhead!

Withdrawal of Remark

The SPEAKER: Minister.

Mr B.S. WYATT: I withdraw.

The SPEAKER: Thank you.

Debate Resumed

Mr B.S. WYATT: In the past 12 months, real wage growth is twice as high as it was over the past 12 months of the former government.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman, I call you to order for the second time.

Mr B.S. WYATT: It is taking less time for a person to find a job if they work in the areas of manufacturing, accommodation and food, financial and insurance, professional, scientific and technical, arts and recreation, and construction. Their prospects were way better in the past 12 months than they were in the 12 months prior, let alone two years ago when every single one of those sectors was in deep decline. Construction in particular was declining by 24 per cent. I think Western Australians will probably reflect on the past 12 months and say, “I think the government has done a pretty good job.” Wherever I go around WA, I generally get told, “I don’t agree with everything you’ve done, but gee you had the proverbial sandwich when you came to government and you have done well in dealing with it.” That is generally the view that gets put to me. Every Western Australian acknowledges that the former Liberal–National government behaved like a bunch of kids, had no interest in the finances—none—and spent as though iron ore was going to stay at \$150 a tonne for the next 30 years. We did not get that right, but things are getting better. I have gone through all the Australian Bureau of Statistics data. I have highlighted that 12 months ago things were way better. Certainly compared with two years ago, the current finances and the economy are almost beyond comparison. There is more work to be done and we recognise that there are soft areas in the economy, despite the fact that the shadow Treasurer wants the government to stimulate new housing, so, I assume, he can then critique us for creating more negative equity. I am not entirely sure of his clumsy economic approach to this argument.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman!

Mr B.S. WYATT: We are going to do what governments should do: responsibly manage finances and deliver for Western Australians. I am pretty confident, reflecting on that, that Western Australians are much better placed now than they were 12 months ago and certainly two years ago.

MR D.J. KELLY (Bassendean — Minister for Water) [3.42 pm]: I just want to rise and say that it is Christmas and I am feeling pretty good leading up to Christmas.

Several members interjected.

The SPEAKER: Members!

Mr D.J. KELLY: I have had a little criticism on water charges this year from my opposite number, the member for Cottesloe. I just want to say how glad I am, leading up to Christmas, that the member for Cottesloe is with us in the house. I want to reflect on this year. He came into this house in March after a tough preselection battle. When people were talking about who was going to be the new member for Cottesloe, I picked his name out from the pack. Some people might not realise that I knew the current member for Cottesloe when he was a student

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politician at the University of Western Australia. I immediately knew his calibre. Some other people were spoken about; a lot of people were hoping Emma Roberts, a mining executive from BHP, would become the member for Cottesloe. I have to say that I was in the current member for Cottesloe's corner, hoping that he would win. A lot of people on this side were hoping he would win, and since he has been in this place as the new member for Cottesloe and the shadow Minister for Water, we are all very pleased that he is here. However, when the member for Cottesloe won his preselection, not everyone was happy. The member for Scarborough lamented that she now had more female siblings than she had female colleagues in the caucus, so she was not that happy to have the member for Cottesloe as one of her colleagues. As we lead up to Christmas, in the spirit of bipartisanship, I want to say how happy I am. I knew the member for Cottesloe's calibre as a university politician and I knew what we were going to get when he got here. Leading up to Christmas, it is great to have him here.

Some of the criticisms that he has made on water policy since he has come into this place have been disingenuous, to say the least. The increases in water charges that we put in place for the last two budgets are less than the budget that we inherited and would have been put in place had the Leader of the Opposition become Premier. The member never acknowledges that when he speaks on radio or wherever. He accuses us of putting up water prices, but he never acknowledges that they would have been higher had it not been for us winning the election. Just once, I would like to hear the member for Cottesloe acknowledge that. In the last budget we restructured the water price increase so that 90 per cent of Western Australian households were better off than they would have been had the member still been on the treasury bench, but he never acknowledged that. He jumped up here the other day to speak about a constituent from Como who was complaining about the high service charge, and never acknowledged that in the last budget we halved the service charge increase that would have applied had he been in government. As happy as I am with the member for Cottesloe—I think I will be happy for the long time that he will be here—I just wish he would acknowledge that what we have done in water is much better than had members opposite been in government.

We can look at a number of benchmarks. Under the member for Central Wheatbelt's watch as Minister for Water, every working day in Western Australia 10 families had their water reduced to a trickle because they could not pay their bills. I raised that a number of times in this house from the opposition benches. It was not as though she was not aware of it. What did members opposite do? They did absolutely nothing. For eight years those numbers steadily kept rising. Household after household had their water reduced to a trickle—members opposite are now all on their phones—because of the bill increases that they put in place. When we came to government, I spoke to the Water Corporation.

Mr Z.R.F. Kirkup interjected.

The SPEAKER: Member for Dawesville, you are on three.

Mr D.J. KELLY: We have to deal with these things in a much better way. Within 19 months, we have reduced that number by 60 per cent. We are making it easier for people to pay their water bills.

We introduced a special allowance called medical assist for people who are on home dialysis. People who are on home dialysis, which uses a lot of water, get an allowance each year so that they can essentially be on home dialysis without impacting their water bill. We did that because we talked to households who have difficulty paying their bills because of the mess members opposite left them in. As I said, I am very happy to have the member for Cottesloe here. I feel better moving into Christmas knowing that he is likely to be here next year as well when we come back, but I just ask that he put a bit of balance in his commentary on water prices.

I would like to address some of the member for Scarborough's comments about the flatness in the retail sector and those sorts of things. In the last 12 months, the Liberal Party, with its National Party colleagues, supported cutting the wages of retail and hospitality staff. The member for Scarborough has no shame crying crocodile tears for workers in the retail industry. Members opposite, including the former banker, the member for Bateman, cut their pay. This year the Liberal and National Parties supported cutting the pay of staff in retail and hospitality. Talk about mean-spirited.

Mr D.C. Nalder: What are you talking about?

Mr D.J. KELLY: The member for Bateman does not know what I am talking about. I am talking about cutting penalty rates for people in the hospitality and retail industry.

Mr P. Papalia interjected.

The SPEAKER: Minister for Tourism, you are on three.

Mr D.J. KELLY: A lot of people earn penalty rates over Christmas. The member for Scarborough said that she thinks it forms 30 per cent of their income. Those people are earning less this year than they earned last year. That is because the Liberal and National Parties cut their penalty rates. The member for Scarborough and her colleagues should not come into this place and cry crocodile tears about the plight of Western Australian families when they

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have cut the pay of some of the lowest paid workers in Western Australia. When the member for Scarborough had the chance to stand up for those workers, she cheered. She said it would create jobs. We now know, because the data is out, that it has not created any jobs across the nation in retail and hospitality. The Liberal and National Parties cut the pay of those workers. That means those workers have less money to spend in the shops. Retail and hospitality workers do not have a large amount of disposable income, so they do not put that money away or go on an overseas trip; they spend it. They spend all the money they have, and that boosts the economy. The workers whose pay the former government has cut are customers who now cannot walk around the corner and spend in the Western Australian economy.

The Treasurer has outlined in very eloquent terms the number of jobs, the number of projects and the range of things that this government has done to make Western Australian households better off this Christmas than they were under the previous government. We are proud of what we have done, and we stand on our record.

MS R. SAFFIOTI (West Swan — Minister for Transport) [3.50 pm]: I rise to make a contribution to this debate.

Mr V.A. Catania interjected.

The SPEAKER: You are on three calls.

Ms R. SAFFIOTI: Every year we see someone who is trying to kill Christmas. There is always a Christmas card that does not have the appropriate wording. Today, the opposition is claiming that the government is trying to kill Christmas. I did not think I would ever see the extraordinary motion that has been moved today in this Parliament. I have to say it is the worst contribution from the opposition for the entire year. As we all head into Christmas, we realise that during this entire year, the opposition has not had a narrative. The opposition has also been all over the place in its description of the economic data. There is no better description of how the opposition has been all over the place than when the Treasurer outlined the shadow Treasurer's hypocrisy in talking about housing supply. He said there is too much supply. He also said that we need to boost supply through subsidies. We all know that the biggest issue in Western Australia has been confidence, investment certainty, and jobs. Jobs is the crucial element to continuing to grow consumer confidence and consumer spending.

What has this government done? We are investing in a road and rail program across the state. We are supporting manufacturing. The opposition opposed it. We supported bringing back to Western Australia the manufacturing of Matagarup Bridge. The opposition opposed that, and then criticised the work on that bridge.

We have also supported the tourism industry. The opposition has an elitist approach to tourism in Western Australia. We support real people coming to Western Australia to support the tourism industry. That is why the Minister for Tourism is focused on getting more direct flights to Western Australia to bring more people to this state. I have to say to the opposition that Gourmet Escape does not define the entire tourism strategy. That is all members opposite did when they were in government.

Ms L. Mettam: Hardly! What a joke!

The SPEAKER: Well, the joke is I call you to order for the first time.

Ms R. SAFFIOTI: The shadow minister for Gourmet Escape! That is all that shadow minister is.

We are creating new jobs in Western Australia. We are supporting the resources industry. We are also, member for Pilbara, supporting projects like Bay Village to create local jobs and support local industry to create more jobs for the future in key regional centres around Western Australia. We are building confidence, with job-creating industries.

All we see from members opposite is fake concern for the people of the suburbs. They completely ignored those people for eight and a half years. The Leader of the Opposition goes to business events and supports full cost recovery of electricity and water. He then comes into this place and says he is worried about it. In the cosy atmosphere of those business functions, he says he supports full cost recovery and strong financial discipline. He then comes into this place and argues against it. He is a fraud to the Western Australian people. This government is getting on with the job, getting things done and getting investment back into Western Australia. It is stopping the negative economic growth that members opposite put onto the Western Australian people. This government is about jobs and confidence. That is crucial to Western Australia's future. As the Treasurer said, there are now tens of thousands of people in Western Australia who have a job this Christmas and who have confidence.

The former government absolutely lost its way. It could not make a decision. It completely lost the confidence of the people of Western Australia. The feedback we are getting is that we are on the right path. We understand that not everyone will agree with every decision we make, but we are on the right path. We are working hard to deliver to Western Australians. The opposition's performance today is like its performance during the entire year—no narrative, no strategy and the worst record in history.

Division

Question put and a division taken with the following result —

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Ayes (17)

Mr I.C. Blayney
Mr V.A. Catania
Ms M.J. Davies
Mrs L.M. Harvey
Mrs A.K. Hayden

Dr D.J. Honey
Mr P. Katsambanis
Mr Z.R.F. Kirkup
Mr A. Krsticevic
Mr R.S. Love

Mr W.R. Marmion
Mr J.E. McGrath
Dr M.D. Nahan
Mr D.C. Nalder
Mr K. O'Donnell

Mr P.J. Rundle
Ms L. Mettam (*Teller*)

Noes (33)

Ms L.L. Baker
Dr A.D. Buti
Mrs R.M.J. Clarke
Mr R.H. Cook
Ms J. Farrer
Mr M.J. Folkard
Ms J.M. Freeman
Ms E. Hamilton
Mr T.J. Healy

Mr W.J. Johnston
Mr D.J. Kelly
Mr F.M. Logan
Mr M. McGowan
Ms S.F. McGurk
Mr K.J.J. Michel
Mr S.A. Millman
Mr M.P. Murray
Mrs L.M. O'Malley

Mr P. Papalia
Mr S.J. Price
Mr J.R. Quigley
Ms M.M. Quirk
Mrs M.H. Roberts
Ms C.M. Rowe
Ms R. Saffioti
Ms A. Sanderson
Ms J.J. Shaw

Mrs J.M.C. Stojkovski
Mr D.A. Templeman
Mr P.C. Tinley
Ms S.E. Winton
Mr B.S. Wyatt
Mr D.R. Michael (*Teller*)

Pairs

Mr S.K. L'Estrange
Mr D.T. Redman

Mr M. Hughes
Mr R.R. Whitby

Question thus negatived.