

WESTERN AUSTRALIAN ECONOMY

358. Mr P. PAPALIA to the Treasurer:

Can the Treasurer tell the house about the recent independent commentary on the continued success of the Western Australian economy?

Mr E.S. RIPPER replied:

Mr Speaker, right across the state -

Mr C.J. Barnett: In Kalgoorlie, people are still asleep - comatose!

The SPEAKER: Order, members!

Mr E.S. RIPPER: Right across the state, including in Kalgoorlie, the resources sector is extremely lively, and I can testify to that.

The report that I want to discuss today is the Access Economics report titled "investment monitor" for the June quarter, which was released today.

Mr C.J. Barnett interjected.

Mr E.S. RIPPER: Do not yawn, member for Cottesloe! I do not think the member for Cottesloe ever had a figure as dramatically high as this! That Access Economics "investment monitor" report lists \$143.8 billion worth of current and potential investment projects in Western Australia. That is an increase of 3.6 per cent since the last quarter, and 9.5 per cent since the June quarter of last year. All categories of investment projects listed in that Access Economics "investment monitor" report have increased. However, the largest contribution to the quarterly growth was in the "committed" category, with a rise of 79.6 per cent. This state recorded 28.5 per cent of the total value of current and potential projects across the country. Access Economics makes the very interesting comment in that report that it is only the lack of engineering and construction workers in Western Australia that is putting the brake on the mining and infrastructure investment agenda in this state. It is not just resources. It is also retail and offices. It is also the state government's record infrastructure program, which is being delivered at the same time as we are delivering record low levels of state debt.

It is the infrastructure program of the state governments that the Howard government attacks when it tries to accuse us of being responsible for interest rate increases. It is interesting that at the same time as the Howard government is attacking our infrastructure program, it is missing in action when it comes to its contribution to our infrastructure needs. At last there has been some recognition from the federal sphere of politics of our infrastructure needs. That has come from the federal Leader of the Opposition, Kevin Rudd, who has promised this state a share - 25 per cent - of the Gorgon royalties. He has also promised us a share of the Pluto royalties.

Several members interjected.

The SPEAKER: Order! I call to order the Leader of the Opposition, the Deputy Leader of the Opposition and the member for Carine.

Mr E.S. RIPPER: Hundreds of millions of dollars for Western Australian infrastructure has been promised by Kevin Rudd, at the same time as the Howard government has gone missing in action on our infrastructure needs. In fact, the Howard government has gone so far as to attack Kevin Rudd for making this promise to Western Australia. *The Australian* states that the federal Minister for Industry, Tourism and Resources, Hon Ian Macfarlane, has dismissed the policy as empty and has said that the state government will get nothing for decades from the Pluto and Gorgon promises. This is an issue that should concern people on the other side of the house just as much as it should concern people on this side of the house. We all know that Western Australia is being ripped off and that not enough federal attention is being given to our infrastructure needs. I want to know this: does the state opposition support Kevin Rudd's promise, or does it support Ian Macfarlane's attack on that promise?

Mr P.D. Omodei: It is a never-never promise! When is that money going to come forward?

Mr E.S. RIPPER: So, the Leader of the Opposition supports Ian Macfarlane, does he? That is very interesting! The state opposition will not support a federal promise for investment in Western Australian infrastructure! That is a very interesting position from the state opposition!

This remarkable period of economic growth places upon us an obligation to invest in the future of Western Australia. That is what we are doing with our surplus. Every single dollar of our surplus is being invested in the state's future - in debt retirement, and in infrastructure development. I will make one final comment. Despite our very impressive period of economic growth, we cannot be complacent. The Access Economics report provides one reason why no member on either side of this house should be complacent about our economic growth. That reason is, as stated in the report, that the sheer size and volume of many of the mining projects

underway is soaking up much of the available capital and labour, driving up costs, and sowing the seeds for a slowdown in investment. Therefore, we need to continue to work at this issue in order to gain the maximum benefit for the people of this state in the future.