

WESTERN AUSTRALIAN ECONOMY — DEVELOPMENTS

**17. Mr J.M. FRANCIS to the Treasurer:**

Again, my question is directed to the Treasurer.

Several members interjected.

**The SPEAKER:** Member for Midland and member for Mindarie, I formally call you both for the first time.

**Mr J.M. FRANCIS:** Given that this government has managed Western Australia through the worst economic downturn in decades and we are looking far stronger than the rest of the rust bucket states across the country, can the Treasurer please update the house on the changing state of the Western Australian economy?

**Mr T.R. BUSWELL replied:**

That is a fantastic question.

An opposition member: You wrote that question yourself.

**Mr T.R. BUSWELL:** It was a complete surprise to me.

In all seriousness, it has been a very interesting transformation in the Western Australian economy in a short period. I cast my mind back to —

**Mr E.S. Ripper:** Do you have confidence in the Reserve Bank?

**Mr T.R. BUSWELL:** The Reserve Bank governor met with the Premier and me for an extended period, and we ran through all the fantastic projects that we were moving forward in Western Australia. That is why he goes out and makes those comments. Maybe members opposite have never met him. Maybe he is like Kevin Rudd to them and would rather go and see Borat. I do not know. They should try a mankini.

Sentiment has changed significantly in Western Australia, and that is great. Through all the surveys that we get, such as Chamber of Commerce and Industry of Western Australia, Sensis and small and medium enterprise surveys, a lot more businesses are expressing growing sentiment. That is good for putting a floor under private sector investment. We are now seeing significant improvement in estimates of aggregate economic performance.

I want to use only two simple examples to highlight the point. Last year when the budget was handed down in May, we anticipated that in the 2009–10 financial year the state's economy would contract by 1.25 per cent, and next year another 0.5 per cent. So effectively on the back of the global financial crisis, the Western Australian economy would spend two years either contracting or remaining effectively stagnant. What do we now see in the midyear review? There is a revised forecast of 2.25 per cent economic growth this year, 2.25 per cent economic growth next year, and returning pretty quickly to long-term averages. We will not find many jurisdictions in modern market-based economies that came out of the GFC with positive economic growth. That is the first thing. A big part of that change has been underpinned by a much lower than anticipated decline in private sector business investment. That is a big tick for this government's efforts to fix up the approvals processes. The second thing—members might be interested in this—is about people with jobs. From July last year until January this year, 27 300 full-time jobs had been created in Western Australia. Across the nation in the same period, 66 600 jobs were created. That means that the Western Australian economy has generated 41 per cent of all full-time jobs created in Australia in the past seven months. That is a positive result of the highest order, and it is a vindication of our government's decision to do a couple of things. The first was to get behind a record capital works program—a program that those opposite criticised because we were sending the state into too much debt. We said that we would borrow to protect jobs, and we did. The second thing was that we protected small business through the introduction of the payroll tax rebate. The third thing was that we fixed the approvals—

**Mr B.S. Wyatt:** You increased taxes by —

**Mr T.R. BUSWELL:** Tens of thousands of small businesses around Western Australia will be receiving from this government in July this year cheques for up to \$47 500. I will tell the member for Victoria Park something. I will find one in the member's electorate, and I will take him out there and let him give that business the cheque; okay? The third thing that we did was maintain a positive outlook—in particular, the Premier—when all those opposite did was try to talk down the Western Australian economy. For every job that was lost, the opposition cheered; for every project that was shut, the opposition cheered; and we supported the Western Australia economy.

I want to close with one observation. I heard the Leader of the Opposition ranting on before about the significance of housing affordability to the future of Western Australia, and he is right. However, I will tell the house one thing that will not happen. Members might be interested in this. In the December quarter 2004—I do not know; perhaps members opposite were in government—the Perth median house price was \$260 000. In the December quarter 2006, it was \$460 000. The Perth median house price almost doubled in two years because the

then planning minister let the state run out of land. That is all we can see. They were all toddling off down there. We are going to be hot on the collar of the Western Australian taxpayer-funded candidate for Canning, making sure that those people know that she is the prime reason that it is hard to live in Western Australia.