

BUDGET SURPLUS

326. Mr P. PAPALIA to the Treasurer:

Can the Treasurer please outline the factors contributing to the state's healthy budget surplus and how the government is using the surplus to benefit the people of Western Australia?

Mr E.S. RIPPER replied:

To listen to the opposition, one would think that a bit more money to spend on schools, hospitals, police stations, roads, ports, teachers and nurses is a bad thing. If we read *The West Australian* newspaper and listen to the shadow Treasurer, I think they would have us run budget deficits, as the coalition did in five out of eight budgets when it was in power, and then they would have us borrow more than a billion dollars each time for, say, the Fiona Stanley Hospital or the Perth to Mandurah railway. This is the opposition policy: tax cuts for business; let the kids pay for the infrastructure. That is the policy of the opposition. I know that the representatives of big business would like to see tax cuts. That is understandable. Everyone would like to pay less tax. However, they go on to say that that would be an advantage for our economy. We have had \$104 billion worth of private sector investment since we were elected, and another \$138 billion is in the pipeline. I think that there is another newspaper that got it right - that is, *The Australian* - because it said that a \$150 billion burst of state government investment over the next four years will extend the economic boom and push the unemployment rate lower. It understands what is going on. We are reinvesting every single dollar of the surplus in the future of Western Australia. We are reinvesting it in schools, hospitals, roads, ports, the electricity network, water infrastructure or paying off debt so that we are not passing on that burden to our kids. It is worthwhile noting that we have a debt-free general government sector.

I want to comment on a couple of remarks that Mr Robert Taylor, the economist and accountant, made in this morning's paper. He accused me of seeking to explain away the surplus. Why would I explain it away? It is a good thing for Western Australia. It is a mark of our economic success and it gives us capacity to invest in the future, so I have no desire to explain it away. He then says later on in his article -

... didn't he say that the surplus couldn't be spent because there's not enough public servants to spend it?

That is a fundamental misunderstanding of the surplus. The surplus is the outcome after we have collected revenue and after we have spent on services. We do not spend the surplus on services; we spend it on infrastructure.

Several members interjected.

Mr E.S. RIPPER: I am tempted to take an interjection. I apologise to the member for Bassendean; I think I am letting him down, because the Deputy Leader of the Opposition still has not apologised to him, and it has been three days now. I seek his permission to take an interjection from the member for Vasse, nevertheless.

Mr M.P. Whitely interjected.

Mr E.S. RIPPER: Does the member for Vasse have an interjection? He is silent, as he is when he is asked to apologise. He has no interjection. Perhaps I can ask the Deputy Leader of the Opposition a question. Can he confirm that Peter Costello had tax cuts in his last federal budget? No answer. Does he think the federal Treasury and the federal Treasurer have a problem with budget forecasting because they underestimate their surpluses?

Mr T. Buswell: I can confirm that you didn't have effective tax cuts in the last budget.

Mr E.S. RIPPER: Amazingly, the economic, accounting expert on the other side will not confirm that Peter Costello had tax cuts in his last federal budget. One would have thought that he was in a position to make that judgement. He will not comment on the federal Treasurer's underestimation of budget surpluses from time to time. I know why the opposition has trouble with dealing with the surplus this government has produced.

Several members interjected.

The SPEAKER: Order! It gets to a point at which I have had enough of the constant interjections. I call the Leader of the Opposition and the Deputy Leader of the Opposition to order.

Mr E.S. RIPPER: I know why opposition members have trouble on the surplus question; that is, they did not have the capacity to produce surpluses in their time in government - five budget deficits out of eight. The only way they could fund an infrastructure program was through privatisation. We have a strategy to invest in the future through the production of a sufficient surplus to provide a fair amount of money for the funding of our infrastructure program. I think the difficulty for Mr Robert Taylor is that he has been taking too much advice from the Deputy Leader of the Opposition. I advise Mr Taylor that car park meetings with the Deputy Leader of

the Opposition are not a reliable source of advice. They do not lead to good outcomes as far as I can see. Mr Robert Taylor would be well advised not to take any further advice from the Deputy Leader of the Opposition.

This is the last question time and the last sitting day before a long break. Surely, now, having had some time to reflect, the Deputy Leader of the Opposition can apologise to the member for Bassendean. The member has had -

Several members interjected

The SPEAKER: Order!

Mr E.S. RIPPER: The member has had three days now to reflect on his duty and to consider what a decent approach would be when he has made a false allegation. Apologise!

Mr M.P. Whitely interjected.

The SPEAKER: Order, member for Bassendean!