

APPROPRIATION (RECURRENT 2022–23) BILL 2022
APPROPRIATION (CAPITAL 2022–23) BILL 2022

Cognate Debate

Leave granted for the Appropriation (Recurrent 2022–23) Bill 2022 and the Appropriation (Capital 2022–23) Bill 2022 to be considered cognately, and for the Appropriation (Recurrent 2022–23) Bill 2022 to be the principal bill.

Second Reading — Cognate Debate

Resumed from 16 June.

HON DR STEVE THOMAS (South West — Leader of the Opposition) [4.23 pm]: I thank the minister for the opportunity to make a few brief comments on the appropriation bills, which are, of course, the bills that approve expenditure. We are still debating how that expenditure will be put towards the Western Australian people, services and economy, but these are the bills that allow for that expenditure. The minister will be very pleased to know that the opposition and, I presume, the crossbench have decided not to crunch the numbers and attempt to block supply in this circumstance, but to allow the government to proceed to expend the money as part of its appropriation bills. I know the minister is just hanging out for us to lend our weight and support to the passing of the appropriation bills.

I do not propose to spend a huge amount of time talking about this. It is traditional that members generally focus their budget comments on addressing the budget, as we have been doing over the previous weeks. But I think it behoves us to do a quick recap of where we find ourselves in relation to the budget and the economy and why there are so many stressors on the government at the moment. What has changed? Bear in mind that the budget was delivered back in May and we are now in August. A few months have passed, and we have seen a few significant changes. Of course, we know that the budget was, once again, a massive revenue for the state of Western Australia and the McGowan government. The government has predicted a \$5.7 billion surplus in the budget, slightly behind the \$5.8 billion surplus it had last financial year. Bear in mind, though, everybody, that that was raised last financial year when we received the *Annual report on state finances*, so I fully expect it to be raised again. I still think we have a reasonable chance of a record budget surplus in 2021–22, and of course, we will still have a significant budget surplus in 2022–23.

Why is that happening? As we have said, obviously this government has been the beneficiary of the biggest fiscal boom in not just this state's history, which it is, but also the history of any state in Australia. This has been the biggest fiscal boom ever experienced by a state jurisdiction in this nation. What is it based on? That is obvious, is it not? It is a \$5.7 billion or \$5.8 billion surplus based on an increase in iron ore revenues of around \$6 billion. It is not even complicated, honourable members. It is not as if government members have been great economic managers and have come out with a set of savings that reduced expenditure or they created a whole new program of some sort that delivered new services. They have been lucky that as a part of the COVID crisis in particular—bearing in mind that the boom started before the beginning of COVID but was propelled along because of it—and because of the building stimulus packages around the world, not just locally but through Europe, the Americas, Asia and China in particular and a lot of other places, it has resulted in an iron ore price that still remains at over \$US100 a tonne.

Dare I remind members of the question I asked way back in February 2019 about what the impact on the government's finances would be if the iron ore price stayed above \$US90 a tonne for any considerable period. I remind members, particularly those opposite, that it was the position of the then Treasurer that the prospect of iron ore remaining above \$US90 a tonne for any significant period was “highly unrealistic”. Here we are today and there has been a fair bit of movement. The last time I looked, it was about \$US107 a tonne. I do not think it has dropped below \$US107 a tonne for any significant period. Therefore, this is a government that has benefited from the greatest boom in our history. The question is: who is receiving the benefit for it?

I do not think the current Premier will be judged in the future on his capacity to respond to the COVID-19 crisis. He kept us isolated, and that kept us safe, and he did so with a lot of support across the board, including from lots of us. He kept the community safe. But I do not think that is how he will be judged. I think he will be judged in the future on what he did with the greatest economic boom that this country, not just the state, has ever seen. Perhaps it is a little bit early to be talking about his legacy. I am not one who buys into the gossip that he might be jumping to the private sector anytime in the near future. I think it is a little early to jump into legacy debates. But when we look back in a decade and we ask, “What is the legacy of this Premier?”, it will not be the COVID response upon which he will be judged; he will be judged on what he did with the greatest economic boom this nation has ever seen. The answer will be: it is not that he looked after the community or changed the economic settings of the state—in fact, generally, when he has changed them, he changed them for the worse. What he has done is to look after the political interests of the McGowan government beautifully. What he has done is to look after his own interests and the interests of his government. I get that there is obviously a great incentive to do that. He wants to be around for as long as possible but he seems to have forgotten that the great wealth generated by this state was not generated

by him. It is not owned by him; it is not his wealth. It is the wealth of the people of Western Australia, who should ultimately be the beneficiaries of it.

Debate interrupted, pursuant to standing orders.

[Continued on page 3187.]