

**FISCAL RESPONSIBILITY**

*Statement*

**HON DR STEVE THOMAS (South West — Leader of the Opposition)** [5.36 pm]: I try not to do too many of these members' statements, but I thought I would give a brief response to the contribution of Hon Martin Pritchard this afternoon. Hon Martin Pritchard presented a very well thought and considered position, as he normally does. I noticed a couple of years ago he was getting inspiration from reality television. I think it was *Survivor* or one of those shows. Keep doing that, that is fine! I did not necessarily agree with everything the member said, but it was a considered and reasoned contribution and I thought I would make a very quick response to it.

My key point will be this. The member raised the example of a household. Yes, if someone is doing overtime, that is not regular income so they cannot budget based on the fact they will have that all the time going forward; therefore, they need to manage their budget within their normal relative income and not budget according to windfalls of some sort. I thought that was a very good example because what I am saying about the budget at the moment is that these massive iron ore prices and royalties are the windfall that the government should not be budgeting on going forward, so the government has to set its budget back. What does the government do when it has those windfalls? If someone has a mortgage and they are getting a whole pile of overtime, the smartest thing they can do with that is to pay down their mortgage faster—put it on their debt. The best, most intelligent, most sensible thing they can do is drive down their debt with that additional income—put it on their debt. That is what I have been saying this government should do with these massive windfalls.

We saw in the budget papers today that the government has had \$19 billion worth of surpluses in the last five years; another 11 are predicted, but we will see whether that happens or not. What should the government do with that? The member's example was very considered and well thought out. What a smart mortgage holder would do when they get windfall full profits is pay down debt. Do members know what the government promised to do when it was elected in 2017? Exactly that. The government said it would take 50 per cent of the windfall profits from iron ore and use it to pay down debt, run it through the debt account, but it did not do that; it did not keep its promise. It was a great example. The member gave some other good examples, and I am only going to go short, but one thing I will say is that the best thing someone can do when they have a mortgage on windfall profits is pay down debt. This government, because it likes to attach that debt to the previous government, is not doing that. It is funny because debt is going up, not down. This government inherited \$32 billion worth of debt, and the budget papers today said it will go to \$36 billion. I noted the Premier's defence today. He said that we focus on today's debt, but we might not get to that level of debt as it is based on conservative budget predictions.

Guess what! He inherited \$32 billion in the budgets in his first two years and said it was going to get to \$43 million. It did not get to the level of debt. He cannot have it both ways. He either says, "We accept the budget forecasts", and debt went up \$4 billion under his government or he cannot use \$43 billion. He cannot have it both ways. He has to pick one or the other. If he was a smart home owner, he would use the windfall profits of the iron ore boom—the biggest in our history—to properly pay down debt, not even as much as he promised but at least more than he is currently doing, and he is not doing it.