

TREASURER'S ADVANCE AUTHORISATION BILL 2024

Second Reading

Resumed from 19 March.

HON NEIL THOMSON (Mining and Pastoral) [8.16 pm]: I rise on behalf of the opposition to speak on the Treasurer's Advance Authorisation Bill 2024. I am still getting used to my voice today. We will not try to bring the government down and oppose the bill and block supply. As much as I would like to bring the government down sometimes, we will not do that tonight. We will support this bill, but we have a lot to say about it. We have a government that is really not managing the budget well.

Thank you for the water.

Hon Pierre Yang: We are here to help!

Hon NEIL THOMSON: I must say it has been a bit of a marathon, so I appreciate my honourable colleagues who take care of my welfare in this place.

We will not bring the government down today, but we will point out the failures of the government on the budget. This is a boom that no-one else feels. Only the government is really feeling this boom. We have a health system that is in chaos. We have young people waiting for treatment for up to two years. We have record numbers that continue on with very little abatement of people sitting in ambulances waiting to be treated in emergency departments. We also have a situation whereby our teaching community does not feel that it is being appreciated. Teachers do not feel that they are getting the care and certainly the protection that they deserve. We have a situation in which our social housing waiting list continues to expand and the price of rentals in the rental market is growing at a rate of 15 per cent per annum. Our police are leaving in droves. We have that situation in Western Australia because, again, people do not feel appreciated. In fact, despite the promises of the Minister for Police, I believe that certainly up until recently, we have fewer police than we had when this government came into power. That is my understanding. Despite that, we have had constant increases in revenue. We have had a boom in revenue, yet somehow this government has failed to pass on that boom to address the basic needs of our community in Western Australia. In fact, people are worse off now than they ever were in terms of service delivery and some of those areas that I have just expanded upon.

In Western Australia, we are also challenged with some great uncertainties. We have a structural problem in our budget. We can look at the data of revenue growth over particularly the last five years from about 2019 to 2024. In 2019, the revenue was about \$32 billion a year. Now, it is just short of \$50 billion a year. We are not far off the \$50 billion figure. If we take the four-year period of this term of government and look at the budget that Treasurer Hon Rita Saffioti will present on 9 May, we have a situation whereby revenue from one four-year block to the other has expanded at a rate of 35 per cent. That is a significant growth in revenue. Despite that massive growth, at the same time, we have also seen the costs of government blow out at 29 per cent. Most importantly, we have seen the total wage spend in Western Australia grow by 25 per cent, despite the fact that paid public servants have actually had some of the slowest wages growth over the last seven years. At least when compared with inflation, it is probably the lowest wages growth for a long time and over many decades. I would suggest that growth has been well below the inflation rate. Despite that, we have seen a growth in the total wage bill in Western Australia, which tells me that we are spending more on bureaucracy and less on service delivery. That is what has happened in Western Australia: we are spending more on bureaucracy and less on service delivery. This is despite the fact that when this government was in opposition in 2016–17, it had a great plan to make the whole thing more efficient. At the time of the Barnett government there was an unprecedented, record level of private sector investment in the mining capacity in Western Australia, which this government has been the beneficiary of as those huge expansions came online in the following years. Of course, now, with the long-term growth in the underlying price of iron ore, we have seen those huge revenues flow into the state. The huge revenues have flowed in, but the government's costs have blown out.

This government talked about its debt reduction strategy, which was cleverly presented. Former Treasurer Hon Ben Wyatt said that its parameters were in the order of 80¢, but I cannot remember the exact number. He said that the GST rebate and the iron ore price had to be over a certain threshold. Throughout the whole term of the Ben Wyatt administration and more recently when Hon Mark McGowan was the Treasurer, there was never an obligation to put money into debt reduction because of the way the debt reduction strategy was crafted. It is only in the last 12 months with the influx of GST revenue, which was agreed to by the Morrison government, that the trigger for the debt reduction strategy occurred. What happened then? Instead of reducing debt, the government is increasing it. The government is putting that money into an account and then spending it out the back end. This is just a con by the government. We have seen that debt is projected to go to new record levels. I have sat here for three years and listened to members on the other side of the house go on and on about the record debt levels under the Barnett government, but we know that the record debt level occurred under the McGowan government in 2019 when it was \$37 billion. Yes, it is true that the trend was going up, but we have to look at the fundamentals of the economy. The incredible work done by the Barnett government between 2013 and 2016 to invest a massive

\$400 billion in the mining sector has never been surpassed. Members can look at the data on this; I have presented it before. That investment in Western Australia has never been surpassed. Despite all that productive capacity coming on and the surge of global iron ore price in that period, there has been a dip and now projected debt continues to grow to new record levels. The midyear review has put it out to well over \$37 billion in 2027, which is a new record. That is what happened at the last midyear review, which is relevant to the Treasurer's advance because the projected debt going into 2027 has gone up.

This government says that it is a great fiscal manager, but it has been the beneficiary of all the hard work done by the Barnett government. It has received windfall gains because every year, revenue has gone well above what was expected. I went back through the budget papers over the last few weeks to look at the windfall gain received by this government time and again. Let us look at the projected debt levels that this government keeps going on and on about and what was received in windfall gain. In 2018–19, it was \$3.39 billion; in 2019–20, it was \$5.59 billion; in 2020–21, it was \$12.08 billion; in 2021–22, it was \$9.44 billion; in 2022–23, it was \$13.35 billion. This government has been the beneficiary of the investment and structural change that was done under Colin Barnett's Liberal–National government. What has it done? It has had an extra \$43 billion, yet all it has managed to achieve is to blow out the baseline costs. I will talk more about that in terms of some of the structural weaknesses we are now seeing in the Western Australian economy. We are placing the economy at great risk because of the profligacy and lack of detailed management of this government. It is unable to deliver services to Western Australians, yet it still blows its budgets. We see the waste that is going on. We saw another example of it today in question time—the WA embassy. There has been one meeting so far. That is all that has happened, yet we have already spent tens of thousands of dollars on that building and we are going to be spending hundreds of thousands of dollars. Who knows; we might get to two or three meetings there! I think of the poor lonely receptionist, or whatever capacity that person is employed in, who is sitting there. Not a single minister or member of Parliament other than Western Australian members of Parliament went to the opening. That shows how irrelevant it is. What a waste. What a complete and utter waste of money. This government just spends money. Government members do not care how it gets spent; they just want another press release and another free trip over east. Ministers fly business class to Canberra to have a good time and do whatever they do. They enjoyed the \$6 000 opening ceremony with a few free champagnes. That is all they are doing. This government is just hopeless when it comes to expenditure. It thinks of it as its own money for its members to go out and have a bit of fun with. That is what this government does.

What has the government achieved with that \$43 billion? The peak McGowan government debt level in 2019 of \$37 billion has reduced to in the order of \$27 billion. That is all that has been achieved. That \$43 billion windfall has delivered a \$10 billion reduction. We are now heading to a new high. The Western Australian government has not even been able to get hold of the debt issue when this is the very opportunity for it to get on and deal with the debt and deficit of the state. We are looking now at interest payments close to \$1 billion a year, not to mention all the other waste.

The Treasurer is a master of waste. I asked a very relevant question today about the costs of the Perth–Armadale rail line extension to Byford and all I got was, “Go and look up the midyear review.” I mean, seriously! I asked about the cost–benefit ratio. I asked about the original estimates and how much they had changed. I know, because I have had my staff go through those numbers. The opposition has a limited ability to get into the secretive —

Several members interjected.

Hon NEIL THOMSON: I said it. Of course it is difficult; it is very difficult because the government is hiding the facts from the opposition. It is hiding the facts from the Western Australian people. That is what it does because it does not want them to know the truth—that it is blowing the budget.

I refer to the conflict of interest of Hon Rita Saffioti as both the Minister for Transport and Treasurer.

Several members interjected.

Hon NEIL THOMSON: I know what goes on. I know that government members are very upset about the fact that Hon Rita Saffioti has so much control over the WA Labor Party room. I know that some of her colleagues here secretly agree with me. I know they agree with me because they are worried about their service delivery areas. I am sure the Minister for Health is furious about the fact that the Minister for Transport is sitting on this pile of money. It does not matter how big that bill gets; she just keeps pouring money in. The buckets of money are going in. In the meantime, debt is blowing out. The \$1 billion in interest each year could fund, over two years, the new women's and babies' hospital. It could fund a new tertiary hospital every two to three years. It could fund the sorts of services that many government members would like to see, because some of them actually have the right idea. Some of them want to see the right delivery for the people of Western Australia, but we unfortunately have a Treasurer who is hell-bent on putting all the money into the rail network and is not able to manage those contracts.

I was very impressed by Hon Dr Brian Walker calling for a select committee to investigate the waste in the Metronet project. I would like to be on the record: I agree; I think that would be an excellent idea. It would be great to have

a couple of opposition members and a couple of government members, and Hon Dr Brian Walker could chair that committee. We could have a balanced review and the truth would come out about the waste that is going on in this government project. It is costing \$13 billion. What was the original estimate? It was something like \$2 billion to \$3 billion, which has blown out by \$10 billion. Meanwhile, we are looking at what is going on.

Here the minister is coming to us, cap in hand, seeking this advance authorisation. We normally have these, and three per cent is required, but we have a bill seeking to increase the Treasurer's allowance by \$2.3 billion to a total of \$3.2 billion, just from the midyear review to 1 July. Additional funding is being sought, and the authority to fund may not necessarily be spent by 30 June, but who knows what the government will pull out of its back pocket. We see the mess it made of the school cost-of-living bonus. Seriously, folks, what a hopelessly targeted situation that was. That was needed back in January, but the government was not able to organise itself to deliver that into the pockets of Western Australians who really needed it at the time they needed it. Instead, the government came up with some kind of an app. I am sure some data harvesting is going on in there to work out who will get the nice public service announcements. Fundraisers are even put out by the Office of Multicultural Affairs. Labor Party fundraisers are promoted through that process. I am sure that kind of attitude has been pushed out there. The government can probably do the same thing with the data from the app. Who knows what kind of bright red email with a picture of the minister will come from the department, just before the election, with a message of what the government will do. I know that this government will be handing out cash like it is its own, but it is not; it is the taxpayers' money. The government should be making long-term sustainable cost-of-living reductions that should be driven into the Western Australian economy, but the government knows it cannot make those long-term sustainable cost-of-living reductions because it has messed up the budget so badly.

It has hardwired in so many costs that we now have too much vulnerability. Let us look at some of the current vulnerabilities. Even now, as we sit here today, we see the challenges. Even today, the share market is down nearly two per cent. There is so much uncertainty out there. The Middle East, the South China Sea and Ukraine all pose global risks. We are very vulnerable. We cannot compare ourselves with Victoria, which has a much higher debt-to-income ratio and a much higher debt ratio at the moment. We suffer larger swings because of the nature of our economy. We have boom times, and then we have times when it is a lot harder. We must build resilience into our economy. We know that there will be massive costs related to decarbonisation. Those costs will be necessary, but this government loves to cut ribbons and to be there with the hard hats on, and it makes decisions without presenting to this place a single bit of analysis to assess what the cost per tonne of carbon mitigation will be for each measure the government puts in place. It is spending \$2.2 billion on a new battery. That might be the thing the government has to do—who knows—but we do not know the cost per tonne of carbon mitigated. The least people could expect is some transparency and independence in the assessment.

The Productivity Commission certainly raised the flagrant spending and self-promotion of the Albanese government. It is the same idea. The Productivity Commission raised this issue. What do we get from the Premier on that? He called the Productivity Commission a loser—seriously! In that conversation, there is only one loser in this place, and I can assure members that it is not the commissioner of the Productivity Commission. I hope it will be Hon Roger Cook who is the loser on 8 March 2025, because if this is the attitude of the government, that certainly will be the case. The Western Australian Labor Party was once a proud party of economic fiscal responsibility and reform during the 1990s, and it was bipartisan across Australia and Western Australia, but this particular version of Labor is very different from the days of Keating and from when Eric Ripper was Treasurer, who I had a lot of time for when I worked in Treasury. This party is secretive, with no assessments, no opening up, no presentation of the facts, no analysis and no structural reform. It just spends and comes out with gimmicks and tries to pretend that everything is fine by providing one-off cash handouts that do not provide the solution to the long-term relief from the cost-of-living pressures that Western Australians need. This Labor government does not do that. This is a very sad Labor government by comparison to previous Labor governments. I know that some members in the Labor Party still have a sense of concern about these things. Certainly, some very strong conversations should be had in that caucus about this current Treasurer whose profligate spending has been more than that of any Treasurer in the history of Western Australia. She has spent without a plan and she has been unable to deliver real outcomes for Western Australians. The cost of decarbonisation is another issue. It is a really serious job that should be managed by only a Liberal–Nationals government because we would do it properly. We would do the proper assessment and make sure we did not waste investment on things that were going to be dead investment into the future. We would do it properly.

Several members interjected.

The PRESIDENT: Order! Can we bring the tone down slightly in the chamber, please.

Hon NEIL THOMSON: I cannot wait for March because it is important that we put in place a proper government that can independently review the value of these initiatives for decarbonisation. I cannot wait to have a Liberal–Nationals government in place to take on this out-of-control federal Albanese government that is trying to impose restrictions on the Western Australian economy through things like the Nature Positive plan. The way it is going, we will not be able to operate our resources industry in Western Australia. Who on earth thought up

a proposal for a 40-kilometre-an-hour speed limit in the Pilbara? Apparently, this was a serious thing, but someone blew the whistle —

Hon Darren West: You said apparently. You do not know it is a fact.

Hon NEIL THOMSON: We do not know because it is all done in secrecy, but I get the reports, and we finally heard that this was a serious issue. Suddenly, today, Plibersek pulled the pin on it because of resistance coming from Western Australian industry. She still has the ear of the independent Environmental Protection Authority, which is more duplication and more red tape over the existing EPA. This is our problem. The federal Labor government is out of control. It has no idea how the Western Australian economy works, yet the state Labor government is too scared to take it on. All the state Labor government can do is to set up an office with a receptionist in Canberra and fly over there to have a \$6 000 soiree with a few free champagnes or to have a bit of a holiday there on a weekend. That is the best they could come up with. It is a joke!

One of the challenges faced by this state is its demographics. We have also had a massive increase in population, which is another challenge that this government seems to have no plan for in terms of housing. I think we are going to have to review *Perth and Peel@3.5 million*. We will need it. We need a government that gets its hands dirty and gets into it. We are not seeing any action from the government on its policy settings on this matter. On climate change, we have seen no real serious investment on infrastructure resilience. We have a road network that has been virtually shut down for months because this government failed to invest in our road network. The rail line the other day was shut down. What did the Treasurer do? She said it was not her problem, that she does not own it and that she has nothing to do with it. I will tell members what: it is the Treasurer's problem when looking at the shelves in Western Australia and seeing the prices of vegetables.

Debate adjourned, pursuant to standing orders.