

WESTERN AUSTRALIAN ECONOMY, STATE FINAL DEMAND FIGURES

31. Mr A.P. O'GORMAN to the Premier:

Can the Premier provide details of the state final demand figures that were released yesterday?

Dr G.I. GALLOP replied:

Today I rise in the Parliament to indicate that the Western Australian economy is going extremely well. The Australian Bureau of Statistics figures released yesterday show that our domestic economy, the state final demand figures, increased by 8.6 per cent last year. That was the highest in the nation and well above the national average of 5.3 per cent. Business investment grew for the seventh consecutive quarter and, even more significantly, business investment rose by 31.3 per cent over the year, and that is a record. We are very pleased with the performance of our domestic economy, just as we are pleased with what we are doing in the rest of the world to promote Western Australian exports.

I am also pleased to report to the House that the Commonwealth Grants Commission has finally begun to recognise the role that Western Australia plays in our national economy, the cost pressures that exist in Western Australia and the revenue-raising capacities in Western Australia. It is very good to see that the tide is turning. However, it comes after a decade - a decade in which up to \$500 million per year was ripped off the people of Western Australia through the criteria used by the Commonwealth Grants Commission. It is good news in terms of what is happening in our domestic economy and what is happening for Western Australian exports and for investment in the State. I am pleased to say that the good work that has been done - lobbying the Commonwealth, particularly the Commonwealth Grants Commission, about our revenue-raising capacities and the cost pressures in such a large State as Western Australia - has been recognised. The Commonwealth did not intervene during the period in which the recommendations of the Grants Commission went against Western Australia. We certainly hope that it will not intervene now that the tide has turned on that issue and we are getting a fairer share of the overall product that is produced in our great nation. There is a simple message to the Commonwealth: it would be unacceptable for that recommendation from the Grants Commission to be modified or reversed. On behalf of the Western Australian people, I say to the Commonwealth that we expect it to do what it did when Western Australia was losing money through that process.

It is very pleasing to rise in the Parliament to report on these figures. We remember the economy that we inherited. We remember the previous Government's failures, which were called budget strategies, that we inherited. We have turned that around. The State is moving forward. We have a positive view about the future of Western Australia and we are making sure that the window of opportunity that currently exists in the global market is captured to create jobs and opportunities for all Western Australians.