

NET DEBT — 2021–22 STATE BUDGET

507. Ms M.J. DAVIES to the Treasurer:

I refer to the creation of the debt monster by the Labor Party when in opposition and the Treasurer's claims that the state's net debt was at unacceptably high —

Ms A. Sanderson interjected.

The SPEAKER: Order, please, Minister for Environment!

Ms M.J. DAVIES: I refer to the creation of the debt monster by the Labor Party when in opposition and the Treasurer's claims that the state's net debt was at unacceptably high levels under the Liberal–National government.

- (1) Can the Treasurer confirm that net debt across the budget's forward estimates is in fact higher than actual net debt reported by the previous Liberal–National government?
- (2) Why has this government now decided that debt is no longer an issue?

Mr M. McGOWAN replied:

- (1)–(2) Last week, and every week before that, the criticism was that we are not spending enough. That is what opposition members came out and said on budget day last week: “You need to spend more here, there and everywhere. Why have you got a surplus?” That was the criticism last week; now their criticism is the opposite. Do they not think consistency is important and that maybe they should have a consistent argument? Do they not think that people up there notice that they have no principles or consistency in what they say and will say anything on any given day? That is what that question shows.

Let me give the opposition a history lesson. When the Barnett Liberal–National government came to office in September 2008, the state's debt position was about \$5.5 billion. It was around that. When it left office, it was climbing to \$43.7 billion across the forward estimates—\$5 billion to \$43.7 billion across the forwards. That was the position that it left us. Then members opposite say, “Why haven't you paid that all off?” Why has that now gone? That is the argument it was running. In the budget, this financial year, we are taking it to \$32.1 billion. It was going to \$44 billion under the former government; we have got it down to \$32 billion. That is basically 26 per cent of the state's debt load that we have removed. We are the only government in Australia doing that—the only one! The federal government is taking it to a trillion dollars, the New South Wales government was taking it to \$140 billion before lockdown, the Victorian government was taking it to \$150 billion before lockdown, and we are taking debt down this year, as we did last year and the year before. To the Nationals WA, which I must say are experts at blowing budgets, somehow that is not good enough.

Across the forward estimates, we put a range of things in. We put very careful budgeting around the iron ore price. Members may have noticed that it dropped again overnight, and it has dropped significantly over recent days. We basically put across the forwards a \$66 floor for the iron ore price. Secondly, we assume across the forwards a drop in the economic growth rate, simply because when international borders open there will be a drop in the nation's economic growth. That is because Australians will go overseas on holidays in far larger numbers than people will come in. Thirdly, we have smoothed some of the capital works program across the forwards—because industry really wants us to do this—which means that some of the spend is in later years. Does that not make sense? I tell members of the National and Liberal Parties that I will not be lectured by the worst financial managers in the history of Western Australia or Australia. I will not be lectured by them, because of what they did when they were in office, which is one of the reasons they went down to 18 seats at the election before last, and one of the reasons they went down to six at the last election.