

CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA —
CONSUMER CONFIDENCE SURVEY

145. Mr F.A. ALBAN to the Treasurer:

Yesterday, questions were asked that made reference to the Chamber of Commerce and Industry of Western Australia's survey of consumer confidence, which pointed to consumer concerns relating to living costs. Is the Treasurer able to provide some further details about other matters covered in that report?

Mr C.C. PORTER replied:

I thank the member for the question. Yesterday the opposition shadow Treasurer asked the Premier some questions about electricity prices. That question noted that in the CCI survey, 63 per cent of respondents said that utility costs would have a major impact on them over the next year. It is absolutely true that the CCI survey did note that. However, the CCI survey is a very interesting document and I recommend that everyone read it. It is full of quite remarkable things about our economy, and not all of them cast doom and gloom on it. The survey shows that consumer behaviour has changed somewhat recently. There are greater amounts of household savings, probably due to people's concerns about global uncertainty; 28 per cent of respondents in Western Australia claim they are better off now than they were last year, which is up from 27 per cent and is very high according to national comparisons; and 23 per cent of respondents in WA claim they are worse off, down from 25 per cent, which is also very high compared with the national statistics. One of the fascinating findings is that 48 per cent of households believe that now is a good time for a major household purchase. It is very interesting that, at a time of concern about utility prices, more people than ever before think they are better off and believe that it is a good time to purchase a major household item.

Several opposition members interjected.

The SPEAKER: I suggest to members who wish to interject that a better way to make a contribution is by seeking the call and asking a question. I formally call the member for West Swan to order for the third time today and the members for Bassendean and Forrestfield for the first time today.

Mr C.C. PORTER: All of that is explicable and there are reasons why people have varying concerns. When we look at the consumer price index, which obviously is the measure of the growth of prices from year to year, and then we look further inside that to see what is happening, of course we can see that the cost of living is an issue, and we often debate that in here. However, it is remarkable to see that in 2007–08, when the Labor Party was in government, the CPI—the growth in the rate of price increases—was 3.6 per cent and in 2010–11, the last financial year of this government, it was 2.8 per cent. The growth in prices, which is the basic measure of the cost of living, is lower under this government than it was under the previous government, yet that is the major issue of the day for the opposition. When we look inside that CPI figure, we can see that there is a lot going on and there are a lot of different goods. The lines on the graph I am holding represent the rate of the change of growth. Unfortunately, over time most prices increase, but what is important is how quickly or relatively slowly that increase is occurring. When members look inside that rather busy graph—I might get the Minister for Planning to hold it—they will see the rate of growth in 2007–08, when WA Labor was in government, and the rate of growth now. The major goods types, the prices of alcohol and tobacco are increasing faster than they were under Labor. That has a lot to do with commonwealth taxes; I apologise. However, the change in the rate of growth of housing and furnishing and household equipment is about the same. The price of food and non-alcoholic beverages is increasing much slower than it was under Labor and the rate of the increase in the cost of recreation and culture has been much slower under this government. The Minister for Transport will be interested to know that transport has experienced considerably slower price increases under this government. The Australian Bureau of Statistics figures for the discretionary and non-discretionary aspects of household spending in WA show that not very long ago, households in Western Australia simply had negative spending on discretionary items.

Several opposition members interjected.

Mr C.C. PORTER: Now members will find that households in that dark blue section have a greater amount —

The SPEAKER: Member for Armadale, I formally call you to order for the first time today. I instruct members once again that when I am on my feet, there should be silence in this place. Whether the Speaker, Deputy Speaker or Acting Speaker is on his or her feet, there should be absolute silence in this place and members are not to move around. I displayed some leniency in just calling you to order for the first time today, member for Armadale.

Mr C.C. PORTER: The CPI is lower under this government than the previous government. Under this government, more people have more money to spend on the things they want, which is a good thing for households.

Finally, I want to comment on utility prices, electricity in particular. Regardless of whoever is in government in a year's time, electricity prices will go up by some rate. That is an unfortunate fact of life. The only thing that will dampen the increase and militate against the increase is greater private generation and competition for electricity, and as much has been noted —

Several members interjected.

Mr C.C. PORTER: Now that the Leader of the Opposition has invited me to keep going, I will. In fact, it was the Leader of the Opposition who said, in debate on the Premier's Statement —

We support private investment in electricity generation; the government seems to hate it.

There are some private electricity generators—Perth Energy, ERM Power, Griffin, Wesfarmers—and they should be encouraged. Private generation is a very good thing because it has the ability to provide competition with prices. But the idea that the Leader of the Opposition supports private generation of electricity is ridiculous. One of the price increases—perhaps the sharpest price increase—this government has presided over is in the contestable tariff, which allows private generators to generate electricity. There are two things about the electricity market that are absolutely true.

Several members interjected.

The SPEAKER: Members, you have successfully made this the last question today.

I will allow you to conclude your answer, Treasurer, and that will be the end of question time.

Mr C.C. PORTER: The opposition leader says that he supports private electricity generation. He did not support increasing the contestable tariff, which raises two questions, one of which is: how many private electricity generators are willing to sell energy at a price below cost? The answer to that question is none. The second question —

Several members interjected.

Mr C.C. PORTER: Members opposite do not like this, Mr Speaker. The second —

Mrs M.H. Roberts: Your ego is so large you think we should all sit here and listen to you all the time!

The SPEAKER: Member for Midland, I formally call you to order for the first and second time today.

I am not interested in this behaviour, members. I am not interested in it at all, members on my right and members on my left. That concludes question time.