

GOVERNMENT CAPITAL WORKS PROGRAM

256. Mr A.P. O'GORMAN to the Treasurer:

Can the Treasurer provide more details on why the government is investing in a record capital works program?

Mr E.S. RIPPER replied:

We have had some remarkable contributions from the opposition in the past few days. Yesterday, the opposition leader had an epiphany on the question of Western Australia's declining share of the goods and services tax. At last he has caught up with an argument that the government has been putting year after year. However, the shadow Treasurer's comments were even more spectacular in revealing a sudden realisation. He said —

Dr S.C. Thomas: It's hardly sudden.

Mr E.S. RIPPER: The shadow Treasurer said that one reason Western Australia's fiscal gloom is under threat is insufficient investment in the infrastructure needed to drive the economy of Western Australia far into the future. Insufficient investment in infrastructure! Members opposite are the same people who complain about the only two sources of funding for that infrastructure investment: the surplus and the borrowings. They complain about both of those sources of funding; they are the only two sources of funding for the infrastructure program yet they say they want more infrastructure.

Several members interjected.

Mr E.S. RIPPER: I will come to that.

We are spending \$26 billion over the next four years on infrastructure: \$4.2 billion will go into electricity, \$4.1 billion on water infrastructure, \$2.6 billion in roads, \$2.6 billion in health, \$1.1 billion into schools, \$831 million into ports and \$587 million into public transport.

Several members interjected.

The SPEAKER: I call the member for Roe and the Leader of the Opposition to order.

Mr E.S. RIPPER: That is our program and the shadow Treasurer wants both things; he apparently wants a lower surplus—if he is following his leader—and lower debt levels but a bigger infrastructure program, which is just impossible. The shadow Treasurer said we either address expenditure or start to move heavily into debt. When the opposition was in government, it did not address either of those two issues over the eight years —

Several members interjected.

The SPEAKER: I call the member for Moore and the Leader of the Opposition to order.

Ms A.J.G. MacTiernan: Treasurer, you should also ask him if he actually —

The SPEAKER: Minister, he does not need any assistance.

Mr T. Buswell interjected.

The SPEAKER: Order, Leader of the Opposition!

Mr E.S. RIPPER: Over the eight years of the Court government, \$19.5 billion was spent on capital works or, in constant dollar terms, \$26.7 billion. In the eight years of this government, including the 2007-08 and 2008-09 forecast, we will have spent \$37 billion or, in constant dollar terms, \$41 billion. Therefore, comparing the two levels, in constant dollar terms, \$41 billion will be spent under us; \$26.7 billion was spent under our predecessors. The forward estimates show that we will spend \$26.1 billion over the next four years compared with the \$19.5 billion spent by the Court government in its full eight years. That is 34 per cent more in half the time. They are "real terms" comparisons.

Several members interjected.

Mr E.S. RIPPER: That compares apples with apples; that is what those comparisons are. That is what is so galling to the opposition when it hears those figures.

It goes further because although we are spending far more on infrastructure, we have actually slashed net debt in the general government sector. Debt for the non-income earning sections of government in the Court era totalled half a billion dollars. By contrast, we have \$2 billion worth of net assets in our general government sector. That is a net debt turnaround in the general government sector of \$2.5 billion when our position is compared with that of the Court Government.

I have heard a few speeches on regional infrastructure during this budget debate. In the regions we are spending \$3 296 per capita on infrastructure, which is 126 per cent more per capita than we are spending in the metropolitan area. We have got a very proud record on infrastructure expenditure in this state under this

government. We are going to continue to make those investments because we will do so in a responsible way to support the improved prosperity of the state in a sustainable way.