

**SMALL BUSINESS DEVELOPMENT CORPORATION
AMENDMENT (COVID-19 RESPONSE) BILL 2022**

Second Reading

Resumed from 15 March.

Declaration as Urgent

On motion by **Hon Kyle McGinn (Parliamentary Secretary)**, resolved —

That the bill be declared an urgent bill.

Remaining Stages — Time Limits — Motion

HON KYLE MCGINN (Mining and Pastoral — Parliamentary Secretary) [5.12 pm]: I move —

That pursuant to standing order 125A maximum time limits apply to the following stages of the bill: second reading, 135 minutes; Committee of the Whole House, 60 Minutes; and third reading, five minutes.

Just by way of explanation, there have been discussions behind the chair with the opposition and also with the crossbench, and this time has been deemed to ensure that everyone has their opportunity to talk on this bill. It is urgent and we would like to see it progress through. Going off the conversations that have happened behind the chair, I believe it will be supported in this chamber.

Question put and passed.

Second Reading Resumed

HON DR STEVE THOMAS (South West — Leader of the Opposition) [5.13 pm]: Sometimes it is just a relief to get the mask off. This is an interesting piece of legislation and at one level the opposition is primarily supportive of the text of the bill. It is designed to allow the Small Business Development Corporation to take over the role of the distribution of grants for business compensation that applied under various COVID schemes. The opposition thinks that that is ostensibly a good idea. The Small Business Development Corporation has a long history of working with small businesses across the state. It has a degree of expertise in that area. The question might come up about whether additional resources are required to fulfil the additional role. I know that was a part of the debate in the other place. I suspect that the actual transfer of grants is not an overly onerous component or addition to the work of the SBDC. Hopefully members will be happy for me to say “SBDC” and not “Small Business Development Corporation” time in and time out, but I do not mind if we have to. In reality, the SBDC probably has much of the resources already in place.

Having said that, perhaps I might have approached this debate in a bit more of a forward-thinking frame of mind, but I had to sit through the debate initiated by Hon Martin Aldridge this afternoon in which the government was very keen to talk about past history. I am surprised it did not go back further than it did. I think we might just have to have a look a bit of the history here, but I am not going to go back to governments decades ago—30 or 40 years ago. No; let us just look —

A government member: Just as far it suits you.

Hon Dr STEVE THOMAS: Yes. Let us just look at the activities of the government since COVID.

A government member interjected.

Hon Dr STEVE THOMAS: Where does the member want to go back to? Does the member want to go back to the Spanish flu, to 1918–19 or to 1920–21?

A government member interjected.

Hon Dr STEVE THOMAS: The government does have some advantages in that there have been some improvements in medicine since 1920. There has been some pick-up in our knowledge and understanding of virology and immunology from that point. We could go back. I am happy to discuss in detail influenza viruses because I suspect, apart from Hon Dr Brian Walker, that I am the only person in the room trained in it. I am not sure what the member did wrong to become the Acting President in this particular debate! I am happy to go back that far, but I do not think we need to.

Just to understand what the government’s agenda is I think we should simply go back towards the beginning of the pandemic. Let us just deal with the current pandemic. We do not want to confuse people too much, so let us just deal with the current pandemic; let us concentrate specifically on this. Let us put the epidemiology and the virology to one side and concentrate on the business compensation packages and the way that the government has used those, and, in effect, the lockdowns that have required them—the lockdowns that generated the need to support business, the impacts of those lockdowns, how they have been done and how the compensation packages have responded to that. This has been a very involved process and I looked into the number of media statements I have made on the compensation packages over the last year. So basically —

A government member: You've been a busy boy!

Hon Dr STEVE THOMAS: I have been a busy boy. Let us look at the last year, since I took over the role of the shadow Minister for Small Business. The good news, and the bad news, is that I have discovered 19 press releases in the last 11 months—two of them joint press releases; the rest of them just mine. From my perspective, that is quite good because I have been very busy, but from the delivery-of-service perspective, I would say that it was the first step in a damning indictment of the performance of the government. If I had been given the opportunity to point out the failings of this process 19 times in 11 months, I would have said that the government might be able to pick up its act a bit. It is going to be a bit hard because obviously the current Minister for Small Business and his parliamentary secretary, Hon Kyle McGinn, were not in charge of the government for the first two years of the coronavirus pandemic. Therefore, I will be very polite with them. I want to encourage the honourable parliamentary secretary and the minister. I want to be forward thinking. They can do better. I am not blaming them for what has gone on in the past. They can do better. Previous Labor ministers may have failed utterly, but they can do better and I encourage them to do so. Seize this opportunity! It might be the making of Hon Kyle McGinn, the Parliamentary Secretary to the Minister for Small Business. It might be his step across the chamber—his step up to a full minister if he can make it work and improve the outcomes and demonstrate the realities of it. The parliamentary secretary may have a bit of competition as Hon Pierre Yang has been active in small business in the last six months. He might have a bit of competition from a ministerial prospective. I encourage and want the parliamentary secretary to do well for the sake of small business across Western Australia. He should gird himself for it and not base his performance on the example of predecessor ministers. Otherwise in a year's time—which seems to be the current time frame—we will have the same debate, and I will say to the parliamentary secretary that it is his failure this time and he cannot hand it off to someone else.

Time escapes quickly. I want to go back to the start of the process and my first press release that specifically related to COVID-19 compensation. I take members back to 27 April 2021.

Hon Dan Caddy: Can you read it out? I don't think the papers picked it up.

Hon Dr STEVE THOMAS: Actually, they did. I will read a couple of sentences, just because Hon Dan Caddy asked. It states —

The Shadow Treasurer Dr Steve Thomas has called on the Premier Mark McGowan to review his opinion that it would be “too hard” to support small businesses impacted by this week's COVID shut down.

“If the Premier needs help to design and implement an appropriate compensation package I am sure we can find the people required to help him ...

“Saying it is too hard to achieve is simply a cop out.”

What was the first position of the Premier of Western Australia, Hon Mark McGowan, on business compensation when the government imposed restrictions that damaged the financial position of small businesses? His first response when called upon to act was to say, “It's too hard.” Here we go. That is position number one of the Labor Party. Members should bear in mind that they might run out of fingers; they may need to take their shoes and socks off because there have been a few positions on business compensation in the Labor Party. There have been a few backflips along the way—backflips that Greg Louganis would be proud of!

Let us have a closer look at the initial position. This is where we started. Why did we need to say this? My second press release was put out two days later, on 29 April, because we needed to take it a bit more seriously. I borrowed the Premier's quote, which he said on radio on about 27 April. What was the position of the Premier? We sort of said that the Premier believed compensation for business was too hard and he did not want to do it during the lockdowns of a year ago. What did he precisely say on radio? Here is what the Premier of Western Australia said —

... a scheme by which every business submits what they have lost and so forth would be very complex, very difficult to administer and probably expensive and we would have to tax people to pay for it. It would go on for years trying to work it out.

That is a direct quote from the Premier of Western Australia in April 2021, not quite a year ago—11 months ago. I repeat —

... a scheme by which every business submits what they lost and so forth, would be very complex, very difficult to administer, and probably expensive and we would have to tax people to pay for it ... it would go on for years trying to work it out.

Wow! The Premier of Western Australia understands the process so little that he thinks it is impossible to deliver a compensation package. The government has announced compensation packages over the past 11 months—we have had a plethora of them lately; there is money going out, so well done; that is great—but members should remember that the Premier of this state said that it could not be done. When he was called upon to compensate businesses for his lockdown, the Premier of this state said, “We can't do it. It's too hard for businesses to report their losses.” Guess what?

They do it for the tax office. Most of them do it on a monthly or quarterly basis. Here is something that the government does not understand because I do not think the Labor Party has any significant understanding of small business.

Several members interjected.

Hon Dr STEVE THOMAS: We have them lined up now. Not too many businesspeople will be standing up.

Several members interjected.

The ACTING PRESIDENT: Order!

Hon Dr STEVE THOMAS: Thank you for your protection, Acting President. I appreciate it.

Not too many members of the chamber who have run a business in the past will be standing up to contribute. It is obvious to me that the Premier of this state does not understand how business operates when he said that the government would not be able to get the figures and it was too hard for businesses to work out whether they run at a loss. He said it would be difficult to administer. There would probably be some difficulties in administering the reporting but I do not think it would be that tough. I love these words, “probably expensive”. We will come to that in some detail—exactly what this government can afford given its current financial circumstances and what it has actually done. I think we will spend some time talking about its capacity to contribute. I love this, “probably expensive and we would have to tax people to pay for it”. We should bear in mind that this statement was made in April 2021, two years after the onset of the current mining boom that this government experienced. We started in February 2019. We are two years on from when this government started receiving billions of dollars in additional revenue thanks to iron ore, and also thanks to the GST fix.

Several members interjected.

Hon Dr STEVE THOMAS: We will come back to the government’s financial management. We will get there. Members opposite are very keen. I like to see them keen. That is how they will get on the front bench, being very keen. I love it. They should keep going.

It was two years after the 2019 financial boom started. We should bear in mind that the government gets very frequent updates on its financial position. Members might remember, Acting President, a lovely news article from the then Treasurer back in 2020, in which he said, “I can’t go to sleep until I’ve got the iron ore price presented to me in an email from Treasury so I can work out how much is rolling out, and how much of the enormous wealth being generated by the iron ore industry is rolling into the state’s coffers and filling up the Premier’s money bin.” We can picture him rolling around in a mountain of cash like Scrooge McDuck. There are these nightly updates.

Hon Stephen Dawson interjected.

Hon Dr STEVE THOMAS: It was a bit tongue in cheek. It is not even a Thursday. Let us save the humour for tomorrow. We might need it by then. Mountains of cash are rolling in. We will debate precisely how much is coming in in a little while.

The Premier made this amazing statement—“if business is going to be compensated”. He put aside the fact that the state was getting billions of dollars extra in iron ore revenue and that we were being paid billions of dollars extra in GST thanks to the deal made by the current Prime Minister, the then Treasurer, with the WA government. The Premier said, “If we are going to compensate businesses, we will have to come up with an extra tax.” Wealth is pouring into the Premier’s money bin but that is all his cash. The Premier, who is also the Treasurer, said that if businesses were to be supported, it would require an extra tax.. He made this statement just after the election, so he was already the Treasurer. He suggested that the government would have to tax people because he could not afford to provide businesses with compensation. That is the depth of understanding of both the operations of small business and Treasury from the person in charge of the government—the Premier, who is also the Treasurer. That is absolutely astounding.

Position number one is that it is all too hard, then we go to “it’s too complicated”, “business doesn’t know how to submit its own financial figures” and “if we are going to put compensation in, we’ll have to invent a new tax for it.” Given that taxes tend to apply to businesses at the state level, I am not sure what new tax the government was thinking it might have to come up with, although I would love to see that cabinet document at some point. Which tax would be implemented? I think that would be an absolute beauty. The comments of the Premier suggested that there was no chance in the world that the government could provide compensation to business. We can just imagine it: “There will be no business compensation under a government I lead.” I am glad to see that the backflip came, because what would have occurred would have been incredible.

On the same day, 29 April, probably preceding the release of that media release, in Parliament I asked the Leader of the House representing the Premier about his comments that it was “complex”, “difficult to administer”, “expensive” and that the government would have to invent a tax and it would go on for years trying to work out how to do it. I asked why he made those comments, why the government would have to tax people and why a small business compensation package for the current lockdown would be different from other compensation packages that have

existed in the past—because they do exist. Once again, as unfortunately happens in opposition, the answer I got back bore only a fleeting resemblance to the question that I asked. But there was this line in the answer that I thought was good. Basically, it was a non-answer. Parts (1) to (4) of the answer talked about how good the government was and then it said —

... the best support the government can provide to businesses is to get them back operating at 100 per cent as quickly as possible, which is what the government is committed to doing.

I guess that was an admirable ambition on 29 April 2021, which is nearly a year ago now. I wonder how many impacted businesses are back operating at 100 per cent. There might be some that are, but I can tell members that the events industry is certainly not. Plenty of industries are not operating at 100 per cent. By the government's own measure, there are still failings in the system a year down the track, because plenty of businesses are still not operating at 100 per cent. We have to talk about the comparison at some point—that is, compared with what? What is the operational turnover that impacted businesses should be compared with to work out whether they have suffered? What an astounding comment to make. Getting businesses back operating at 100 per cent would be good. I think we should measure the government by that metric. When every business is back operating at 100 per cent, I suspect we should be celebrating. It is certainly not happening yet.

I am reminded of a debate that we had very early on in this place on COVID. I made the comment, which I stand by—because I generally stand by my comments, even the public ones that people like to quote back at me—that we could pretty much control the disease or we could allow the economy to flourish but we could not do both. I did not look up *Hansard* for that comment. I said we could either manage the disease or the business impacts but we could not have it both ways. I know there was some disagreement with that particular comment, but I think what we have seen over the last few years is exactly that in action. There were always going to be impacts on business and employment and lots of other things if the government took a strong approach to the management of an outbreak like this—an epidemic. The opposition has always been supportive of the actions of the government in relation to those medical decisions. The opposition has always been supportive of the medical decisions that have been made.

Hon Kyle McGinn interjected.

Hon Dr STEVE THOMAS: I have not always supported the compensation activity —

Hon Kyle McGinn: I remember something about the border.

Hon Dr STEVE THOMAS: If the member can find—this is interesting.

Hon Kyle McGinn interjected.

Hon Dr STEVE THOMAS: If the member looks at some of my—actually, I probably have it here. I can read my press release, just in case the member does not want to believe me.

Hon Kyle McGinn interjected.

Point of Order

Hon TJORN SIBMA: I note this is an urgent bill that requires some focus of mind. I note that it is being carried by the parliamentary secretary. He has been engaging in non-stop interjections. A piece of professional advice might be that it is his job to take notes about the issues raised, not to tweet on his phone, or whatever he is doing, or to interject. Mr Acting President, I urge you to bring these unruly interjections to a halt as soon as possible so the honourable member can get on with his contribution to the second reading debate.

The ACTING PRESIDENT (Hon Dr Brian Walker): Members, I have taken advice and there is no point of order. However, I would agree that it would be best if the parliamentary secretary kept the interjections to a minimum or preferably zero.

Debate Resumed

Hon Dr STEVE THOMAS: Thank you, Acting President. I will at some point, for the edification of members and the parliamentary secretary, find the direct quote. The fortunate thing is that there are so many press releases on the list that it will take me a while to find the exact one. As I have said on numerous occasions, I like to be honest with my press releases. In the same way that it was raised that I have made comments about various policies I thought were duds—I have stood by those—I have also commented that I thought that we have to acknowledge that the Premier did a good job for two years on keeping out COVID. Those are public comments. I have stood by those comments. The issue for me is not that the Premier and the government have been able to keep out COVID; the problem is that once it is here, there is a far better way for the government to minimise the impact on business and compensate those businesses.

I usually start this process by saying that I absolutely get it, because there is pressure in opposition. We are always supposed to oppose; we are not supposed to give any credit to our opponents at any point. That happens all the time. I have said repeatedly that the issue is not keeping out COVID and the work that has been done. I have happily credited the government when I have felt that it has made achievements. We will come to that press release in a while. I have often welcomed the changes that have been made. But the problem I was trying to get to is that the Labor government does not understand, or refuses to work with, the clear need of the business community for clarity and consistency in relation to the rules. That is the biggest issue that we face. The fact is that the Premier initially said, “No compensation—it’s all too hard. We cannot afford it. I’ll have to put a tax in place for it.” It is stuff that was obviously nonsense. But let us put that aside right now; we might come back to it at the end. Let us look at why there have been massive failings in the compensation packages to date. At this point, I am not blaming the current minister or the parliamentary secretary, but it will be interesting to hear the defence they mount for the failure of the Premier and the previous minister to understand the need. I encourage them to go forward and do this properly, but that has not been done to date. Business needs clarity. The government cannot make it hard to understand.

I will give an example, and I will not name the cabinet minister involved. A couple of months ago, a cabinet minister made a trip to a regional centre. They were asked by the chamber of commerce to explain the COVID lockdown rules and the compensation rules, and the minister could not. Members of the chamber left the meeting more confused than when they arrived. If cabinet ministers cannot explain the rules because they are detailed and complex—there are groups that are in and groups that are excluded, it does not apply to everybody, and the rules change all the time—what hope has business got? I am talking about cabinet ministers who have a staff of 14 running around after them and informing them, checking they have the cabinet briefing notes, getting out the folders and all those things. If these people, and it is not just one of them, cannot explain the COVID business rules to the community, what chance does a small family mum-and-dad business that is run by people who are getting on in years and who may not be overly computer literate have of understanding the COVID rules? Do members know what they can understand? They can understand the impact on their shop. They can understand that their turnover has gone down by 50 per cent in 12 months because people are not moving about. They know and understand that, but what they cannot understand is a complex set of rules; therefore, it needs to be clear. What is the first thing that business needs? The Labor Party should be writing this down! The first thing business needs is clarity. What is the second thing it needs? It needs consistency, because business does not just operate from day to day. Members who have run businesses would know that their staffing roster needs to be set at least a week, sometimes two weeks, in advance, and if there is movement of workers around, it might be a month in advance. Businesses need to have consistency. The rules today need to be consistent and equivalent to the rules tomorrow, next week and the week after. There needs to be consistency because every time the government changes the rules, it makes it more difficult for business. That is what this government either does not understand or refuses to accept, and I am not sure which one is worse. Is ignorance better than contempt? I do not necessarily know the answer to that, but that is what business requires. It requires some consistency in the process, but it does not get that; it changes every time. Some of those changes might well be good—some of those are good—but every time the government does it, it still impacts on businesses.

I refer back to last month—maybe not even a month—when I put out a series of press releases that indicate the absolute contempt that the government has for the business community and what it does. Let us have a look at a couple of key pieces. Last year, the Premier set the date of opening to be 5 February; however, we jump forward to 2022 when the Premier believed that it was not safe to open at that point, despite the fact that there were a lot of other bits of information there. Anyone would have thought a significant announcement like that would have been done at the peak time of discussions, in the morning, when he usually does his press conferences, and that he would accept that the change he was about to make would have a significant impact on business. But on 20 January, the Premier went out at seven o’clock at night to announce that he was scrapping the 5 February date.

Again, if he had a valid reason for doing so and could explain it and was prepared to take seriously the impacts that this would have on business—because that is how he should have led off with that statement—he should have stepped up and said, “I understand that the announcement I am about to make will have a devastating impact on businesses. It will be at least another month of economic pain, and I get that. I understand that, and I will make sure that we will look after you as a part of that process.” But that is not what he said. Basically, once again, business had to suck it up. I thought this was great: on 13 February—I think that was the Sunday; the day before—there was a media story intimating that the Western Australian community would get only a few days warning when Mark McGowan finally decided to open the state border. As it turned out, we had a bit more warning than that, which was not bad. I think we had nine days’ warning. But nine days is not a significant amount of time in relation to business opportunities. We had nine days’ warning of the change in the opening date. The arrogance of the Premier, who thought he could simply change these dates, amazes me.

Every time he makes a significant change that impacts on businesses’ capacity to survive, he should start that press conference with an apology, such as “Once again, I apologise to the people of Western Australia, particularly the business community, because I am making your lives tougher again.” But we do not hear that. We do not get that. This is a Premier who I think has enjoyed making changes on a whim, because it makes him feel immensely powerful.

He gets to make changes on his own time frame, at his own whim. He should be held to account for the changes that he has made that have devastated businesses and industries and which could have been done completely differently.

We do not actually have to go too far from where I am standing right now to see some of the impacts. We could probably go a few hundred metres and just walk down that way—he says, pointing at the end of the chamber, roughly to the east. Go for a walk down into the city. Go for a walk through the CBD—for those who dare. What is happening in the CBD at the moment? Because of COVID, particularly because of the shutdowns, a bunch of small businesses are shutting down. We do not even necessarily have to reference the worst areas, because there is a whole pile of other issues around Yagan Square, for example, which was badly promoted and designed at the start. Let us leave the natural disaster areas alone and just talk about those areas that are simply impacted by a lack of flow-through traffic.

Big business is doing all right, thank you very much! Those major businesses, particularly those that have been able to have people work from home, are not doing too badly, thank you very much! If you go into the city, yes, there are a lot fewer people in those offices, but that is a saving for big business. The more people they can have work from home, the better. Therefore, who is suffering? Which businesses are dying? It is the small businesses. It is the cafes. It is the small bars. It is those parts of the city that provide vibrancy and activate a flow-through of traffic. They are suffering, and they are suffering directly as a result of the policies of the government.

I keep saying we are not arguing about the health advice or the implementation of it; what we are arguing is that the support provided to business by this government has been woefully inadequate. This was a government that started out saying, “We do not need any,” but finally got dragged kicking and screaming to the table, which I think has been great. I wonder whether 5 March would ultimately have been selected as the opening date if it had not been for the massive campaign in the media. Finally, we saw the Premier being held to account for the decisions he had made. He has had a dream run—let us face it. For a couple of years, he could do no wrong.

Hon Stephen Dawson: Well, you wouldn’t know that given all the comments you lot have made!

Hon Dr STEVE THOMAS: Holding him to account, believe it or not, is part of the job. But beyond whether that is just the job of the opposition, these are simple truths. In fact, he did not want to bother with the business compensation package and thought it was all too hard—they are not my words; they are his words. In April 2021, the words of the Premier of the state, the Treasurer, your leader, were that it was all too hard, it could not happen and it would take years trying to set it up. But we finally got some activity.

I have been asking about the level of compensation now for some time. Let us have a look at what the government is claiming, because I think it is quite interesting, and I might reference the fine second reading speech of the parliamentary secretary.

Several members interjected.

Hon Dr STEVE THOMAS: No; it is not a bad speech. It is okay. It was well delivered.

It also came up in the debate in the lower house when the minister referenced the money that has gone into COVID responses. I got most of the breakdown during questions this week. The member will probably go through it again, which is good. They referenced my questions of yesterday. It is actually in there. I appreciate that I got an answer from the Leader of the House on the breakdown of the \$1.6-something billion, with \$1.7 billion somewhere in the mixture. I am not here to quibble about the amount, although I note the boost.

The second reading speech states —

... the state’s economic response to the crisis under the \$5.8 billion WA recovery plan.

Hon Matthew Swinbourn interjected.

Hon Dr STEVE THOMAS: It is on page four of the parliamentary secretary’s speech. It states —

As the government’s primary small business agency, the Small Business Development Corporation has played a key role in progressing the state’s economic response to the crisis under the \$5.8 billion WA recovery plan.

The parliamentary secretary might have to get the figure for the total expenditure on COVID that the state is now claiming. Maybe his advisers can find that for him. It was seven-and-a-bit billion dollars the last time I asked. The parliamentary secretary might be claiming that the total spend on COVID, including internals, is at seven-and-a-bit billion dollars. It does not really matter if he cannot get it; that is not the end of the world. This is good.

The \$5.8 billion for the WA recovery plan is a significant amount of money. Do members know how significant it is? It reflects the budget surplus of the 2020–21 financial year of \$5.8 billion. What is the government’s WA recovery plan? It is one year’s profit. Members might be expecting a round of applause for one year’s profit of \$5.8 billion, but it is one year’s profit, bearing in mind the economic boom that we are talking about. Members will remember that I have questioned this for some time, and I will never forget it. On the wall in my office is a quote from the previous

Treasurer saying that the price of iron ore being over \$US90 a tonne was “highly unrealistic”. I believe it is at about \$US150 a tonne today. This year’s surplus will look interesting as well. The recovery plan is \$5.8 billion. That is the profit in 2020–21, the last financial year. That was not the start of the boom. There was a multibillion-dollar profit in 2019–20. What does the profit look like this year for this state government? It was originally set at about \$2.6 billion, but that was —

Hon Matthew Swinbourn interjected.

Hon Dr STEVE THOMAS: Here we go. Call me Nostradamus, parliamentary secretary, but I think the revenue from iron ore, when the price was set at \$US127 a tonne, is going to exceed that. I know that, because I asked a question. It was one of my Thursday questions. I like my Thursday questions. One of my Thursday questions was: what has been the revenue of the average price to date? Guess what, I have not brought it with me, but I put out a press release on that one, too. That was back in February.

Hon Stephen Dawson: You have been busy.

Hon Dr STEVE THOMAS: It is a very busy job. If you are trying to bring down a government, there is no point doing it by halves. You have to throw yourself into it!

What was the net result of that? Based on the average price at the time, it was mid-\$US130 a tonne. The government was going to reap in a surplus of not \$2.6 billion, but \$4 billion. My figures were fairly conservative because I know that other people in the press have said, “Actually, we think it’s closer to \$5 billion again, and it might get close to last year’s.” That may be right, because not only is iron ore up, but also we have an increase in revenue when the oil price goes up, as it currently has. There is a flow-on effect to the commonwealth grants in relation to the North West Shelf. If oil stays at its current price, that will be worth another \$500 million to \$750 million in the upcoming year as well. The government’s taxation will be a very interesting debate around the budget when we start to talk about the cost of living, which will start to bite fairly soon, and taxes and charges, particularly taxes—payroll tax, stamp duties—across Western Australia. Which direction do members reckon they are going? They are not going down; they are going up, too. This government continues to reap in a fortune, most conservatively \$4 billion, probably \$5 billion, when the parliamentary secretary said \$2.5 billion. In last year’s budget, the 2020–21 budget, which did not come down until September 2021, the government was predicting \$15 billion worth of surpluses over a five-year period. Astoundingly, that looks like it is going to be an underestimate, unless there is a significant correction. Funnily enough, because the budget is set the way it is, if there is a significant correction, it will still get \$15 billion because the iron ore price next financial year is set at \$US66 as it is for every year after, which is the long-term price. I think we will go back to the long-term price. I think we will get back to around \$US70 a tonne. It may not be by the end of this year but I suspect by late 2023 we will start to see some corrections in the price of iron ore and we will start to go back to a more normal event.

There will be a correction. Knowing my luck, it will happen in 2024 in the lead-up to the next state election, and I will be trying to work an opposition budget based on the scarcity of funds that we will finally be confronted with. But in the meantime, \$15 billion of surpluses is likely to be an underestimate. This government has not just more money than any government in the history of Western Australia, it has more money than in the history of all Australian states. A \$5.8 billion surplus in one financial year is the biggest financial surplus in the history of Australia. This government has an absolute motza. When the Premier comes out and says that it is very expensive, we should just laugh that off. When the government comes out and says, “Look at how good we are, we have spent \$7.5 billion responding to COVID”, bear in mind there is a lot of internal stuff that goes into that \$7.5 billion, so it is not necessarily \$7.5-new billion that has been a real impost. It is a fraction of the money sitting in the Premier; Treasurer’s money bin. The government has made an absolute fortune. The question we have to ask is not just: has the government effectively rolled out business compensation? No. But has it done so in a generous manner given this massive wealth it suddenly has? Surely the answer is no. When the state rolls out a \$77 million package and a \$72 million package, they are minuscule both compared with the impact of business and the amount the government has in its coffers.

I have never said and I will not say that business should be compensated for all its losses. That would be a terrible precedent to set. All business takes business risks and all business has to absorb some of the lion’s share or the losses when it goes wrong. Neither side of politics, neither the Labor Party nor the Liberal Party have suggested at any point that all the losses of business need to be compensated for. We would not want to do that, because suddenly every business forevermore will suddenly think that their turnover needs to be subsidised by the state, we will end up in a communist/socialist utopia and it will be time for me to move somewhere else. We cannot do that because at the end of that process —

A government member interjected.

Hon Dr STEVE THOMAS: Is that your utopia, is it?

Ultimately, it sends countries broke. It just does not work; it does not happen. We cannot do that. Governments have to simply compensate. The question probably should be asked: why offer compensation at all? It is not in my

view simply because business suffers. All business suffers downturn. There has to be a trigger point. The trigger point is that business is suffering, particularly in its normal turnover, because of a rule or imposition from government. Why are we compensating businesses? It is because government lockdowns have caused the damage.

Hon Stephen Dawson: It's because of the pandemic.

Hon Dr STEVE THOMAS: We have all agreed with the lockdowns. Members have not heard me go out there and say do not lock down. There are groups of people who do not like lockdowns, but members have never heard me say we cannot have lockdowns.

Hon Stephen Dawson: You're saying "we", as in your party. Elements of your party have absolutely spoken out about the lockdowns, almost from the very start.

Hon Dr STEVE THOMAS: Okay. I will have to look into that one. Members will never have heard it from me. They will never have heard me criticise lockdowns. I accept the need for them. I accept the fact that they have helped keep people safe. But we have to acknowledge, therefore, that they have an impact.

Hon Stephen Dawson: They are for the safety of the people of the state.

Hon Dr STEVE THOMAS: Yes, true, but they have a significant impact. Businesses have gone bust because of the COVID rules. That is not necessarily to say that the rules should not be in place. It is an acceptance that government rules can cause damage. That is the case particularly when the rules are changed. This is the problem that I am trying to get the government to understand. When we change the rules repeatedly, we make it that much harder. When rules are put in place, ultimately businesses respond to those rules and evolve and adapt. However, when the rules are changed constantly, businesses struggle to adapt and to survive. It needs time. There are businesses that have closed. I notice that the Premier says repeatedly that some businesses have actually done better out of COVID, and that is true. Some low to middle-level tourism experiences in my area of the south west, particularly accommodation businesses, have done pretty damn well, because people cannot travel overseas and get drunk in Bali or do whatever else they do, so there is more expenditure in some areas. However, plenty of businesses are not doing well. The businesses that have done well will reflect that in their turnover and their profits.

I believe we need a standardised set of parameters to determine the impact on businesses. I have been calling on the government for a year for a standardised set of parameters. The government has the resources to do this. As we have discussed, the government also has the funds. The government has the potential to deliver a standardised program: if a business can prove X percentage drop in its turnover compared with when the COVID rules were not in place, and it can demonstrate that this is likely to be a result of the COVID rules, it should automatically be eligible for compensation. The government has the capacity to do that. The problem with the system that this government has in place is that the Premier is rolling out compensation packages at a whim. There should be a standardised package: if the impact is X, the package that a business can apply for is Y. That should have been constant from the beginning of the pandemic in 2020, when the McGowan government was already in the economic boom in which it still finds itself. Sure, we might want to argue there should be some variations, but that would provide the consistency that business requires and a simple set of rules that business could understand. Maybe even cabinet ministers would be able to understand it as well—possibly. I can guarantee that there are cabinet ministers who cannot explain it. I am not suggesting they are in this chamber, but I know that they exist. There are cabinet ministers who struggle with it.

We need a standardised set of rules that will provide a simple process for businesses to go through. We could then have a discussion about those businesses that are in and those businesses that are out. This government loves picking winners and losers. Let us be aware of exactly how far back that goes and how that operates. Remember that when the first shutdowns occurred in 2021, the second year of the crisis, the government put restrictions on Perth and Peel. It was ultimately Perth and Peel and the south west, but initially it was Perth and Peel. The government restricted travel to those areas. The government then said that it would provide compensation only to businesses in Perth and Peel. Where does the government think tourists to the south west, the midwest and the great southern come from? When there are shutdowns and people cannot travel, how can the government possibly suggest that the impacts are restricted to the area to which the shutdowns have been applied? Sure, in those early days, people in the great southern could go about their business, and there were not many issues in that area.

In May 2021, regional grants were made available to businesses in the Perth metropolitan region and Peel. That did not apply to businesses outside that region. That is despite the fact—this will be news to the Premier—that businesses can get on their computer and get their turnover for the day, the week and the month, because that is how most of them work now. I am old enough to remember when I started my business in the 1990s and had the old paper and pen ledgers and all the rest of it. It is now mostly computerised. If a regional business can demonstrate a massive drop in turnover because the people they had expected to come from Perth to their holiday rental could not show up, why should it be excluded? It is because the government was trying to minimise the amount of money that it had to put out. It has no understanding of business in this state.

Hon Kyle McGinn: But they were not in lockdown at the time. They were still able to operate.

Hon Dr STEVE THOMAS: No, but their clientele could not get to them.

Hon Kyle McGinn: You cannot say they would not be able to find someone else without having a crystal ball.

Hon Dr STEVE THOMAS: If someone in Denmark or Albany, or the goldfields or Kalgoorlie, was running a bed and breakfast and had bookings for a week and people could not travel to get there —

Hon Kyle McGinn interjected.

Hon Dr STEVE THOMAS: People could not get there. If people could not travel to get there, the business shut down.

Hon Kyle McGinn: That is not if they were in Perth or Peel.

Hon Dr STEVE THOMAS: They were the only people who could apply for compensation.

Hon Kyle McGinn: That is right.

Hon Dr STEVE THOMAS: I am happy to have that argument in a bit more detail. They were the only people who could apply. I have always said that if they were in a different region and literally could demonstrate the impact—that all these bookings from Perth had been cancelled because people could not travel, and they had lost \$10 000 worth of work on a weekend—why should they have been excluded? Imagine what the events industry suffers if a significant event was planned in a region and the people whom they were trying to attract to that event could not travel there, and that business could not apply for compensation because it was outside that area. That demonstrates the lack of understanding of this government of business management and how business operates.

There are a couple of other points. I am going to run out of time, so members will have to be quick if they want to interject. We could literally talk about this for hours. This has been an interesting debate, and I appreciate the tenor in which it is being held, because I have said some tough things. It has also been a positive debate, even in terms of the interactions.

The other issue that we need to address is that in a lot of ways, business has done much of the heavy lifting in response to the COVID pandemic. That often goes unrewarded and unacknowledged. The vaccine mandate is a very good example. I am vaccinated, and I support the vaccine mandate, and I get all the abusive emails that others probably get from people who do not like it—or me anymore. That is fine. Business is doing much of the heavy lifting. When we apply a mandatory rule for entry into a business, it is the business staff who get abused. The abuse is sometimes horrendous. I am not suggesting for one instant that the government is condoning it, exacerbating it or making it worse. That is absolutely not the case. I do not think you guys like it any more than we like it. It is horrendous. Business operators need to have staff at the front door to check people's vaccination status, and those people have to put up with the abuse when it happens. Some business operators have to employ extra staff for that task. There are even businesses that are suffering because they are doing the right thing. I pointed this out in the media. I know businesses that have done the right thing and applied employment mandates and have lost staff and contractors—people just walk down the street to others who do not apply the mandates. That has happened. Business has done a lot of the heavy lifting. I do not think any member would suggest that it could be any other way. We are not suggesting that the government could place a health department official at the front door of every business, but this government could acknowledge absolutely the impact that this pandemic has had on business, including the rules that the government has applied. That has had an impact, as has changing the rules frequently. At one point in February, the rules were being changed weekly. I think, at some point in February, I got three press releases in a week, because every third day there was a change. The Premier would announce something around COVID compensation, and then everybody would say, "That's not going to work the way he says it's going to work", and he had to change it. I welcomed some of the changes. The government reduced by two weeks the comparison times to prove a reduction in turnover from level 1 and level 2 restrictions. The government took two weeks off the time frame to prove a reduction in turnover. In that same media release—I forget the exact date, but I can look it up as it is in this pile!—the Premier said turnover will not necessarily be compared with turnover at the same time last year. That was obviously a problem, because the Premier was asking businesses to demonstrate a 50 per cent reduction in turnover by comparing COVID-impacted turnover this year with COVID-impacted turnover last year. That got changed, which is good. I welcome that, but how did it go out in that form in the first place? The rule changed because it needed to change—the Premier and his advisers messed it up. They messed it up!

I have limited time left, and as I said I have tried to be positive about this, but the rule changed three times and the truth is the government got it wrong time after time. From those first comments, "It's all too hard. We can't do it. It'll take years to put in place. Couldn't possibly have a compensation package", all the way through to, "Right, we've got these new packages for 77 per cent, 72 per cent and 66 per cent"—I think that was the other one. The government had to change its rules three days later because businesses jumped up and down. I am going to take some credit, because I think I have jumped up and down pretty well. The government made those changes, but it cannot argue that the rollout has been good.

In my final minute, I urge the new Minister for Small Business and the parliamentary secretary representing the Minister for Small Business to step up to the plate and make things better. I believe it when I say that there is enormous opportunity for the government to improve on its performance to date. I went on radio with the former Minister for Small Business and had to correct him because he could not explain which parts of the state were getting compensation packages and which were not. I said at the time that I was trying not to make the situation political, but the minister just got it wrong. Moving on from the previous small business minister and the one before that, the new Minister for Small Business and the parliamentary secretary in this place have an opportunity to try to make things better. I urge the parliamentary secretary to push on with that. I urge the government to do it with a degree of humility that respects the business community in Western Australia, because, to be honest, the performance to date has been pretty bad. Let us look for consistency and clarity, the two things that business need. If the parliamentary secretary delivers on that alone, he will have made it better.

HON WILSON TUCKER (Mining and Pastoral) [6.13 pm]: I rise today to make a few comments in support of the Small Business Development Corporation Amendment (COVID-19 Response) Bill 2022. I think that members on both sides all agree that small businesses have been doing it very tough during the pandemic. When the government talks about additional funding for these businesses, it will get no argument from me; it is something that is desperately needed in a lot of different sectors in Western Australia.

This bill is about the machinery of the grant application process, giving additional powers to the Small Business Development Corporation. The bill will extend the current ability of the SBDC to process these grant applications and make payments. The bill encapsulates the entire workflow of the grant process, which is a good thing. I heard in the briefing that this bill will potentially streamline the process and, hopefully, cut down on some of the grant processing time. Currently, this takes four to six weeks.

A member interjected.

Hon WILSON TUCKER: It currently takes 21 days. This bill will streamline the process, which is a good thing. I also heard that the existing web application for grants will still be used by grant recipients, which is also good, and that the myGov and myGovID authentication methods and functionality will be used to hopefully prevent fraud and duplicate payments. It is not a case of reinventing the wheel; the government will use the functionality of the technology that exists. These are all good things. I do not have any criticism of this bill, but I take this opportunity to make a few general comments about the impact of the pandemic on small businesses in Western Australia.

We can all agree that small businesses have been doing it tough. The government's mantra, not so much this year but certainly last year, is that we have lived our standard lives and have not been affected by this pandemic. That is certainly not true when we look at the impacts on small business of the pandemic. In my opinion, this has been exacerbated by the really conservative border policy of this government and certainly the recent border opening date backflip has impacted the operation of small businesses. These businesses are on the front line; they are dealing with the community and having to interpret and implement new rules based on government policy. Sometimes the rules change overnight, and they have to react very quickly in how they approach and deal with the public. Small businesses must ensure that people coming through the door are using the ServiceWA and SafeWA applications and that people show them their double-vaccination certificates. In some cases, they are dealing with angry and disgruntled members of the public who do not necessarily agree with the government's border policy.

I will share a story with members. In the last couple of weeks, I was at a grocery store. I was wearing my mask and I checked in like a good West Aussie. I was at the checkout and there was an argument between a gentleman who was not wearing his mask and the shop assistant. This gentleman was effectively berating this young lady because she was refusing to serve him. He was really annoyed because he claimed that he would not be able to eat if she did not serve him. I was sympathetic to the gentleman, although I do not condone not wearing a mask when required. But I was more sympathetic to this young lady, who was just trying to do her job and did not deserve to cop that level of criticism and abuse.

A member interjected.

Hon WILSON TUCKER: I am not defending that behaviour at all. I am just a very sympathetic person, member. Several members interjected.

Hon WILSON TUCKER: I am just a nice guy! What can I say?

Additional responsibilities are being placed on small businesses, but the crux here is the financial impacts that small businesses have had to bear throughout the pandemic. That is what we are here today to discuss. I understand that these grants will not compensate small businesses completely, which I think everyone acknowledges. It is, I guess, a bandaid approach to the current situation to try to keep businesses afloat for as long as possible. What the small business sector, especially the retail and tourism sectors, needs and has been crying out for is more people in this state. Unfortunately, right now, there is not a lot of trust among people in the wider Australian community to come to WA because of the border policy and the governments' frequently changing updates.

Debate adjourned, pursuant to standing orders.