

BUDGET SURPLUS, AND CUTS TO PUBLIC SERVICES

1108. Mr C.J. BARNETT to the Treasurer:

I refer to the Treasurer's announcement today of a higher than expected budget surplus of \$250 million for the 2002-03 financial year.

- (1) Given this windfall surplus, how can the Treasurer now justify cuts to public services, including \$174 000 to keep-fit classes for seniors, \$240 000 to a cancer screening program, \$450 000 to an early intervention program for mental health services for children under the age of five years, \$300 000 to a hearing screening program for newborns and \$700 000 to rural and remote dental health programs?
- (2) Will the Treasurer admit that his surplus is built on the back of a broken promise, which involved massive increases in taxes and charges, including stamp duty, payroll tax and land tax?

Mr E.S. RIPPER replied:

- (1)-(2) It is clear that the Leader of the Opposition needs to read the ministerial statement that I have just made. The surplus is last year's outcome. It has been used to pay off debt. It is not available to pay for unrealistic salary increases in the coming financial year. Each new financial year is a new challenge in itself.

I return to the surplus of \$250 million. It is better than forecast. It is the best result in seven years. The debt results are also outstanding - \$1.4 billion lower than the budget forecast and lower than the forecast we inherited from the previous Government. It has already been demonstrated that there is one respected - in his own mind - economic commentator who will be bitterly disappointed by the results; that is, the Leader of the Opposition. These are the results he did not want to see. He did not want our Government to have these sorts of results. In May this year he said that the Government should be reducing debt, not increasing it. He told Liam Bartlett's listeners -

Several members interjected.

The SPEAKER: Members!

Mr E.S. RIPPER: He told Liam Bartlett's listeners that his Government would have a policy of controlling debt and trying to reduce it. That is good. He said that he would not rule out privatisation of perhaps a power station. The cat is out of the bag. The Opposition's strategy is to deal with debt by selling the family silver. This Government has adopted a different approach - that of no privatisation. It is controlling expenses and exercising financial discipline. This Government did not spend up to the limit of the surplus. It invested it in the long term by reducing borrowings. That is the kind of discipline that was absent in the previous Government's policies. Five out of its eight budgets ran deficits, despite strong revenue growth. It raised taxes in five out of eight years, jeopardised the State's AAA credit rating by overspending and sold off \$4.8 billion worth of state assets. The coalition Government masked its budget mismanagement by relying on windfalls. Even the Under Treasurer was so aggravated by the lack of discipline by the previous Government that he was forced to take pen to paper and write to the previous Treasurer. He said that the current quite critical situation is entirely attributable to the lack of discipline shown by ministers in general and Cabinet in particular. Who did he single out as the biggest budget bandit of them all? It was the Leader of the Opposition - a man who was totally disloyal to his then leader in many ways, not least on financial management issues.

Mr C.J. Barnett: You shouldn't steal information from the files of previous Governments.

Mr E.S. RIPPER: Oh, we should not steal information.

Mr C.J. Barnett: You shouldn't. I have never seen that letter.

Mr E.S. RIPPER: Although cabinet documents are not available to this Government, I think the files of the public service are available to it. The Leader of the Opposition made that statement because he has been caught out.

There has been much debate lately about style over substance, spin doctoring and such concepts. The results I have provided today are a record of substance, as were the results in 2001-02. This record of substance should be contrasted with the financial myth making of the former Government. In October 1999 Richard Court said that his Government had always run in surplus except during the first year it took office. How could he say that? He released a budget pamphlet in 1996-97 complete with his photograph.

Mr C.J. Barnett interjected.

Mr E.S. RIPPER: The Leader of the Opposition can read it later if he wants to. It reads -

Your Government was elected on a pledge of responsible financial management - and we've delivered results with our third Balanced Budget in a row.

Every household received one of those pamphlets, paid for by taxpayers. The next year he released another budget pamphlet with another photograph and another signature, entitled "Straight Talk about the 1997/98 Budget". What a joke. It reads -

The State Government will, however, stick to its strategy of delivering responsible financial management with a balanced budget.

The House would be disappointed if I did not have a chart! I have a chart that illustrates the five deficits out of eight. What were the outcomes of these so-called balanced budgets referred to in the pamphlets? They are clearly illustrated on this chart as deficits, although the coalition Government called them balanced budgets. The former Government used taxpayers' funds to lie about its budget when in government.

Withdrawal of Remark

Mr C.J. BARNETT: I ask for a ruling, Mr Speaker. The Treasurer accused the former Premier of lying about his budget. I ask him to reconsider that comment. He will find that the definitions of the operating balance were changed by procedure. I want to know whether he is accusing the former Premier of lying.

The SPEAKER: It is very dangerous to use the word "liar" in this place and I ask that the Treasurer withdraw that comment.

Mr E.S. RIPPER: I am happy to withdraw and I do so. However, the Leader of the Opposition has been in the habit of referring to me as a member of the most corrupt Government in the State's history, something to which I have taken serious personal offence. I wonder whether in future I should take points of order on that matter.

Mr R.C. KUCERA: I thank the Speaker for his ruling. If the Leader of the Opposition is to refer to our Treasurer as someone who is stealing files when all the Treasurer has done is put good information before the public and the State, he should also withdraw that comment.

The SPEAKER: I listen as closely as I possibly can to comments in this place. It was quite plain when we recently discussed the code of conduct that people in this place want a higher standard than that which we have had. That will happen.

Mr E.S. RIPPER: In case there is any misunderstanding, I unreservedly withdraw the remark.

Questions without Notice Resumed

Mr E.S. RIPPER: The pamphlets were totally misleading. Taxpayers' funds were used to say that there would be a balanced budget. Twice the previous Government did that and twice it delivered serious deficits. Every member of the Cabinet of the previous State Government must accept moral responsibility for the serious misleading of the public that occurred.