

INFRASTRUCTURE AND CAPITAL WORKS SPENDING

**173. Mr A.P. O'GORMAN to the Treasurer:**

Currently, the government is spending record amounts on infrastructure and capital works. Can the Treasurer further explain how such a commitment will benefit our state?

**Mr E.S. RIPPER replied:**

That commitment benefits not only the state, but also the nation as a whole. However, before I come to that, let me remind members of the size of the infrastructure program. In the last budget, it was \$21.6 billion, or \$2 220 per Western Australian. That can be compared with the equivalent commonwealth budget under the Howard government at the time of \$237 per capita. We know that there is a real need to keep building infrastructure for future economic growth, and that there is a real return to the state and the nation from that infrastructure. The trade figures for February that have just come out are proof of the wisdom of that approach. Western Australia's trade performance is at a record level. Our state now accounts for 37.3 per cent of national exports. Let us put that in context. It is triple Victoria's share of exports, which is only 12 per cent. It is double New South Wales' share of exports, which is 16.7 per cent. It is more than the combined share of the second largest resources state, Queensland, and New South Wales. Together, those two states, the second largest resources state and the biggest state in the nation in population terms, have 36.1 per cent of exports. Western Australia has 37.3 per cent of exports. That is a pretty good performance.

There is another comparison that I think will interest members of the house. The nominal value of Western Australia's exports is almost double the size of New Zealand's exports, using Australian dollar terms, and we have about half the population. Unlike the rest of the nation, we have a trade surplus, which now stands at \$38.1 billion. The nominal value of our merchandise exports increased by 9.6 per cent over the three months to February this year. Nationally, the value of exports rose by only 4.2 per cent over the same period. In annual average terms, the value of our exports rose by 10.3 per cent over the year to \$63.1 billion. Over the same period nationally, exports increased by just 1.6 per cent to \$169.2 billion. That shows both the need for and the benefit that Western Australia and the nation get from a very strong infrastructure program. It is good that the new federal government recognises the need for more investment in infrastructure in Western Australia. It is good also that it has committed to allocate 25 per cent of the Gorgon royalties, and in the interim Pluto's royalties, for a Western Australian infrastructure fund. We look forward to the new commonwealth government paying even more attention to Western Australia's needs. It recognises the importance of Western Australia to the nation's export performance and the importance of our export performance to the nation's standard of living.